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Chair

Mr. Merv Tweed

Standing Committee on Agriculture and Agri-Food

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•(0845)

[English]

The Chair (Mr. Merv Tweed (Brandon—Souris, CPC)): Good morning, everyone. Welcome to meeting number 53 of the Standing Committee on Agriculture and Agri-Food.

Our orders of the day are pursuant to the order of reference of Tuesday, October 23, 2012, on Bill S-11, An Act respecting food commodities, including their inspection, their safety, their labelling and advertising, their import, export and interprovincial trade, the establishment of standards for them, the registration or licensing of persons who perform certain activities related to them, the establishment of standards governing establishments where those activities are performed and the registration of establishments where those activities are performed.

Joining us today are, from the Canadian Meat Council, Mr. James Laws, executive director, and from the Retail Council of Canada, Ms. Karen Proud, vice-president, federal government relations.

Welcome. I think you know the drill, so we'll ask you to make your presentations and then we'll move to questions from the committee.

Mr. Laws.

[Translation]

Mr. James Laws (Executive Director, Canadian Meat Council): Thank you. Mr. Chair, I am going to make my comments in French.

Good morning, everyone. My name is James Laws and I am the Executive Director of the Canadian Meat Council. Thank you for the invitation to speak to you today about Bill S-11, the Safe Food for Canadians Act.

The Canadian meat sector is the largest in the food processing industry. It employs close to 70,000 people. Its annual gross sales of pork, beef, veal, lamb and poultry exceed \$24.1 billion. Last year, Canada exported more than \$1.3 billion in beef and \$3.2 billion in pork to over 125 countries throughout the world. In total, there are close to 740 federally registered meat establishments that slaughter, process, quarter, bone, package, preserve or provide storage for meat and are inspected by the Canadian Food Inspection Agency.

Food safety is the top priority of meat processors. We support measures aimed at consolidating and modernizing the legislative framework governing food products. The CFIA currently runs eight food inspection programs. Each of them uses different inspection methods and tools.

Proposed Bill S-11 will improve food surveillance by instituting a more uniform inspection regime for all food products and increased control measures for imported food products. The government and the industry have known for some time that Canadian legislation governing food products needs to be modernized and strengthened.

In July 2009, the independent body tasked with investigating the 2008 listeriosis outbreak recommended that the government simplify and modernize the federal legislation and regulations that have a significant impact on food safety. That is the very objective of Bill S-11. We have long maintained that the meat industry in Canada is treated very differently from other food sectors.

That is why we support the consolidation and modernization of the legislation presented in Bill S-11, which is causing the repeal of the following acts: the Fish Inspection Act, the Meat Inspection Act, the Canada Agricultural Products Act and certain provisions of the Consumer Packaging and Labelling Act.

We believe in the importance of a modern approach to inspection based on the audit and compliance system. Grouping various powers and provisions in a single act will harmonize inspection and enforcement powers, make them coherent for all food products and allow inspectors to be more effective, and the industry to reach higher compliance levels.

Bill S-11 gives the government the power to create regulations to strengthen the act. For instance, subsection 51(1)(m) of the bill will require that certain persons prepare, keep or maintain documents and provide them to the minister or the inspector or that they give them access to them. Thus, consumers will benefit from a safer food supply system.

•(0850)

The bill repeals the Meat Inspection Act, a 17-page document, and replaces it by this new act, a document of over 60 pages. The bill contains several notable provisions, among them clauses 52 to 55 which describe incorporation by reference. Clause 52 states:

52. A regulation made under subsection 51(1) may incorporate by reference any document, regardless of its source, either as it exists on a particular date or as it is amended from time to time.

The meat industry is the most regulated sector in the food industry in Canada. Aside from the requirements that apply to meat and food under the Food and Drugs Act and its related regulations, and the Consumer Packaging and Labelling Act, we must comply with the Meat Inspection Act and its related regulations, as well as with the standard and comprehensive requirements of the *Meat Hygiene Manual of Procedures*, published by the Canadian Food Inspection Agency. The manual has 19 chapters and over 1,200 pages of text, and is already incorporated by reference in the meat inspection regulations, which are themselves 120 pages long.

The agency often changes sections in the manual without consulting the industry. Incorporation of documents by reference, under the regulations, is an important power according to which regulations will remain updated and could be modified. Indeed, section 55 of the bill states:

55. For greater certainty a document that is incorporated by reference in a regulation made under subsection 51(1) is not required to be transmitted for registration or published in the *Canada Gazette* by reason only that it is incorporated by reference.

We hope that incorporation by reference will be applied through a process that will guarantee consultation among the stakeholders. In that way, those who are affected by a change will have an opportunity to express their opinion. We think that this risks becoming a vicious cycle, because at least the *Canada Gazette* process, which is slow, is clear and well-explained.

Allow me also to point out that the new legislation applies only to meat processors that are inspected by the agency and that export or sell their meat through interprovincial trade. The new legislation will not create a unique standard, a national standard for meat inspection. We will continue to have hundreds of meat processors in Canada operating under different inspection regimes in the provinces. We think that all the provincial meat inspection standards should be consistent with the federal meat inspection standard.

Canadians should expect that all the meat products they consume are compliant with the same rigorous standards, regardless of where they live or make their purchases. We are willing to work closely with the government representatives and officials to make sure that the new act establishes a regulatory framework that will ensure that we are competitive in the international arena and will encourage the Canadian meat industry to attain the highest standards in food safety.

Thank you for your attention. I will be pleased to answer your questions.

• (0855)

The Chair: Thank you.

[English]

Ms. Proud.

Mrs. Karen Proud (Vice-President, Federal Government Relations, Retail Council of Canada): Good morning, Mr. Chair, members of the committee. I'd like to thank you for giving us the opportunity today to speak to Bill S-11.

My name is Karen Proud. I'm the vice-president of federal government relations for the Retail Council of Canada. I'm going to keep my remarks fairly brief this morning because we've already

submitted a brief to the committee and it details our position around Bill S-11.

The Retail Council of Canada represents over 9,000 members with 45,000 storefronts across Canada. Our members range from the large multinational companies that you're all familiar with to the smaller, independently run and owned companies.

In February of last year, a new grocery division was added to the Retail Council of Canada which amounts to about 95% of the total grocery industry in Canada. Our grocery members include: Loblaw's, Walmart, Metro, Federated Co-ops, Co-op Atlantic, Sobeys, Costco, and Canada Safeway.

I'd like to start off by saying that RCC and our members fully support Bill S-11. This is evidenced by the fact that Minister Ritz announced the introduction of this bill at the location of one of our members and I was in attendance in support of that bill. I'd like to also mention that last week Minister Ritz appeared before you and said, "Consumers remain this government's number one priority when it comes to food safety and consumer confidence."

I can tell you with certainty that if it was any one of our members sitting here today, they would say that exact same thing. Food safety is the number one priority for the grocery members. They expend considerable effort and resources ensuring that the products they sell to their customers are safe. In this, we are completely aligned with the policy intent behind this legislation.

As you will see from our brief, we are proposing a few amendments to the bill that we believe will improve it. I'm not going to go over these in detail as you've already been provided with a copy of our detailed brief, but I'd like to draw your attention to a couple of key points.

We do believe that there are a few areas in the bill where the authorities are a bit broad. In the interest of transparency and clarity, we have suggested some minor changes that we feel don't detract from the intent of the bill and still provide the minister with the necessary authorities.

With regard to disclosure of confidential business information, we feel that the language that can be found in the recently passed Consumer Product Safety Act actually provides for a balanced approach that would give the minister necessary authorities in this area while recognizing the sensitive nature of this information.

As my friend, Mr. Laws, commented, we also have some concerns about incorporation by reference. We're not actually suggesting any sort of amendment to the bill, but we are asking that the committee make a recommendation that the Treasury Board Secretariat develop guidelines for departments in using this authority, as we've seen more and more pieces of legislation being passed that have the authority to incorporate documents by reference.

We'd like to make sure the departments are given guidance on how and when to use this authority, what sort of documents can be incorporated by reference, and the need for proper consultation with industry on those documents.

As I said, I wanted to be brief and I'm hoping that I achieved that. I would like to thank the committee again for providing us with the opportunity to share our views. I look forward to any questions you might have.

● (0900)

The Chair: Thank you very much.

Mr. Allen.

Mr. Malcolm Allen (Welland, NDP): Thank you, Chair, and thank you to the witnesses for being with us today as we go through Bill S-11, I agree it is an update, and hopefully it will become a standard across the country for food safety. It's one bill rather than a multiple and makes it more transparent for all to understand exactly what the rights, obligations, etc. are for all parties whether they be primary producers or end consumers.

The legislation talks about an audit five years after it comes into force. They'll do a review to try and see what's working and what's not working and make adjustments. One of the things we've been saying is that if you don't have a reference point to start from, how will you know where you end up in five years? Specifically around CVS, a compliance verification system, it's still our contention that in the Weatherill report, although done by PriceWaterhouseCoopers, and in Carol Swan's analysis and review, an audit is still needed.

I'll look to both of you to comment. Do you have any suggestions about whether that's something that should be looked at? I realize you may not have a definitive answer on that. Is it reasonable to suggest that we have a reference point so when we count to five, we know we actually got to five and didn't get to four and a half? It's difficult, it seems to me, that if you don't have a reference point to start from, how do you know what you've counted? You'll know at 10 because you can count from 5 to 10.

I'll let you comment. Why don't we start with Ms. Proud. We'll work right to left.

Mrs. Karen Proud: I guess I would say I don't have a strong opinion about when an audit should take place. I would have hoped that in developing this piece of legislation the government would have already done a bit of benchmarking as to what was working and what wasn't. I assumed that was why they brought this legislation forward. It would have been my expectation that some sort of a review of the system would have been done before bringing forward new legislation to try to fix things.

Mr. James Laws: I would add that it would not be illogical to do as you're suggesting. There was a review done of the compliance verification system, and it was a very good review. We had been pointing out for many years that there were inconsistencies in the different regions across Canada in how the system was applied. That compliance verification system was put in place in an attempt to make the inspection system across Canada more uniform. It still has challenges, and we continually need to train people right across the country, but it is a reasonable system.

Mr. Malcolm Allen: Ms. Proud, we see at the retail end standards that retailers have set. Sometimes they seem to vary by individual retailers, especially large ones. Do you see this as being problematic with this legislation? The minimum standard is Bill S-11. If folks ask for standards beyond that, how does it affect this piece of legislation? We have producers who come to us and say that the standard is here

or the standard is there. It goes back and forth. Do you think we should have uniform standards at the retail end, so that we all understand whatever the benchmark is? Should we have legislation that speaks to that safety standard?

● (0905)

Mrs. Karen Proud: It makes it easier if there are uniform standards across the country so everybody knows what they're supposed to be doing. Not all of our members are national in scope.

In retail, the one thing that is not competitive is food safety. Our retailers work very closely together. If there is a lack of a standard, or if there is a gap, they will develop among themselves and in discussions with Health Canada and other authorities certain standards. They've already done this. In some areas where there is no regulation or legislation, they've developed their own. Of course, we're always advocating for a national, uniform approach to standards.

Mr. Malcolm Allen: Mr. Laws, you've said you'd like to see a national standard for all meat processors, regardless of whether they're covered under CFIA as a federally regulated institution. Are you suggesting this right down to the smallest abattoir?

Mr. James Laws: We are, but we realize at the same that there are challenges when you do that. For instance, this past summer I visited five of the provincial plants on the federal pilot project, plants in line to become federally inspected: one in Alberta, one in Saskatchewan, and three in Ontario. It is great when you see them wanting to become federally inspected, just to have one set of rules. We have members in our association that are very large and others that are very small. It's not really a matter of size; it's a matter of whether everyone has the appropriate systems in place to ensure that they're making food as safe as possible.

The Chair: Thank you.

Mr. Lemieux.

Mr. Pierre Lemieux (Glengarry—Prescott—Russell, CPC): Thank you very much, Chair.

Thank you to our guests for being here today.

I thank you and your members for your commitment to food safety. I appreciate the fact that you support Bill S-11 and what we're trying to accomplish here, by taking something that is good and robust and making it even better, particularly based on feedback provided by you, by the members of your organizations, and by the industry at large.

I wanted to ask a question regarding fines, because sometimes there can be confusion about fines or penalties. They basically break down into two groups, as you know. CFIA inspectors can use AMPS, which are the administrative monetary penalties where, I guess, a ticket can be written by an inspector for minor violations, serious violations, or very serious violations, but the monetary amounts are very modest. I think a minor violation is \$1,300 and a very serious violation is \$10,000.

Bill S-11 prescribes penalties through the court system. In other words, if someone is actually found guilty of contravening the act in certain circumstances and a judge rules on it, there are summary conviction fines and indictable offence crimes. I believe there has been a significant increase. Penalties used to be up to \$250,000, if found guilty by a judge in a court of law. These have been increased to \$5 million, as a maximum, and not in every case, of course. It's at the discretion of the judge, depending on the circumstances.

I wanted to ask each of you whether you feel this is reasonable, if you feel this is a positive step. What are your thoughts on that?

Mr. James Laws: Certainly, it is a twenty-fold increase in the maximum fine that could be imposed, so it is very serious and we certainly don't oppose that in principle. We do want Canadians to know that we support the bill. This is a very serious situation, no doubt, if one is convicted to the maximum extent of the law for probably purposefully doing something wrong.

That aside, in the very situation we see right now, if a company does something and not willingly, by any means, something goes wrong, ultimately the CFIA can pull their licence. They stop producing. That is quite serious. That's really what makes a huge impact and the agency does have a great deal of authority in that regard.

• (0910)

Mrs. Karen Proud: I think the increase in fines really does show Canadians that the government is taking food safety very seriously. From a retail perspective, it's really not an issue for us, because as I said, for our members, food safety is the number one priority. If there is an issue that's identified by CFIA or Health Canada or the Public Health Agency, our members will act.

I think the fines are important. It sends a good message, but it's really not of concern to our members because they work with CFIA on all food safety issues.

Mr. Pierre Lemieux: Very good. I appreciate that, thank you.

I'm glad we had the opportunity to clarify the difference between the monetary penalties and actually being found guilty of a violation in a court of law by a judge, because sometimes those get confused and someone thinks the CFIA inspector can write a ticket up to \$5 million, which is not the case.

I want to ask a question about traceability. Traceability, as you know, plays a key role within our food safety system. This legislation builds on what we already have, and of course, it wants to move the industry toward even better traceability. I believe the industry wants to go to traceability as well, because it's a win-win for everybody. Yes, there can be some initial costs incurred to move in that direction, but of course, the savings and the benefits are tremendous.

I want to ask each of your organizations your thoughts on the traceability portions of Bill S-11.

Mrs. Karen Proud: I can be quick and then I think James probably has some more commentary.

For our members, the only caution around traceability is to make sure we have a uniform system for all products. In keeping with the spirit of the legislation, which is bringing things to a harmonized

approach, I think that's what we need to ensure in moving forward with any new requirements around traceability. That's the only concern that's been raised by our members.

Mr. James Laws: From the Canadian Meat Council's standpoint, we support and have supported full traceability from the farm to the meat processing plant.

Beyond that, there are some facilities that are able to track and trace a particular piece of meat right back to the farm. That can be quite an expensive process, but some facilities view this as a competitive advantage for their particular businesses.

The biggest issue really is that in the event of a recall, and there was a major recall recently, maintaining traceability back to a certain supplier of meat helps one to get products back as quickly as possible, for the consumer's benefit but also to limit the scope of the recall to particular suppliers. The better they manage that traceability of the product, the lower will be the amount of product they have to recall. If they're not able to identify the product specifically, they'll have to do a broader recall.

The Chair: Thank you.

Mr. Valeriote.

Mr. Frank Valeriote (Guelph, Lib.): Thank you, Mr. Laws and Ms. Proud, for coming. I want you to know that everyone around this table supports the legislation as well, and like you, some of us are going to suggest a few amendments.

I'm curious, Karen. You represent a number of retailers. Are you aware whether any of those retailers ever have any outside, independent audits of their systems and of the adequacy of their staffing?

Mrs. Karen Proud: I wouldn't be able to comment on that, but I am certainly happy to go back to find out from our members and send that information back to the clerk.

Mr. Frank Valeriote: Would you do that? Could you do it before the end of the week and provide it to the clerk?

Mrs. Karen Proud: Absolutely.

Mr. Frank Valeriote: All right.

I want to be a little more probative on a question that Mr. Allen asked. He spoke about systems. I'm talking about the audit that Ms. Weatherill recommended in paragraph 7 of her list of recommendations: a full, independent, outside, objective audit of all of the CFIA, all of the resources, including human resources.

Given that the Auditor General has an outside audit on a yearly basis to make sure that everything is running right, do you see the value of an objective outside audit of all systems and resources, including human resources, so that we would know the CFIA is able to do what they are supposed to do, because they're adequately trained and adequately supported, financially and otherwise?

•(0915)

Mrs. Karen Proud: I can't see that our members would object to such an audit. It's always a good thing to look internally at whether you have the right resources to match your requirements and your mandates and, especially given a new piece of legislation, whether you've matched up the right resources. Certainly we wouldn't object, but we have complete confidence now in CFIA and have worked very closely with them.

I wouldn't see there being an issue with that.

Mr. Frank Valeriote: James, do you have an answer for that?

Mr. James Laws: I believe that was one of the amendments made at the Senate.

Mr. Frank Valeriote: There was not one for an outside audit.

Mr. James Laws: Oh, not an outside audit....

Well, I would agree with Karen. I don't think our members would object to it.

I guess that determining who would be appropriate as outside auditor would be a good question.

Mr. Frank Valeriote: One of the new approaches being taken here is the consolidation of inspection systems for fish, meat, and agricultural products, with the combination of the four pieces of legislation.

Do you have any concerns regarding the consolidation of these three or four pieces of legislation, with respect to the efficiencies of an integrated inspection system? In other words, all of a sudden inspectors are going to become jacks of all trades and masters of none, if you know what I mean.

I'm wondering whether we should be concerned about whether they will be adequately trained so that they can move from inspection of meat to inspection of fish to inspection of agricultural products.

Mr. James Laws: I personally believe it's a good idea for a couple of reasons. One is that it gives the inspector the opportunity to see what's happening in other sectors.

One of the messages we always give is that when some food safety event happens, we want to learn what happened. We also look to inspectors to provide some guidance, because our members don't know everything.

An inspector who goes around and sees many places, including other industries, is given the opportunity to say, for instance, that in the dairy sector there's a particular piece of equipment that has worked really well in a certain application and perhaps it should be considered for another application. I think there are a lot of positives to that.

Mr. Frank Valeriote: Here is a final question for Karen.

Karen, we don't have the benefit of seeing your amendments. You submitted them in English. They aren't translated. Could you please tell us about some of those amendments more specifically and about why you're recommending them?

Mrs. Karen Proud: Certainly.

As I mentioned in my opening statement, there are a few things concerning where we feel that the authorities are a bit broad specifically around disclosing confidential business information, which the minister has broad authority to do, and for which there don't seem to be a lot of restrictions. "Restrictions" is not the right word, but there's not a lot of structure around it. We feel that there's language in the consumer product safety legislation that puts restrictions or parameters around the minister's being able to disclose, but in such a way that the various parties are given notice and are able to discuss. That's one key area.

We feel that within the legislation there's the power for inspectors to look at computers within a particular establishment, yet there are no parameters around what they would be looking for. We're suggesting that they be given this authority, but for the purposes of inspection, rather than just leaving it a broad authority.

There are provisions within the legislation that the inspector may bring someone to accompany them on an inspection. We'd like to limit that to being for inspection purposes. Anecdotally we've heard from members that there have been cases in which inspectors have brought along family members. I guess they're proud of the job they're doing and want mom or dad to see how things work.

Those are minor amendments that we're suggesting, but we believe they bring the right amount of authority to the minister while creating the proper constraints around the exercise of the authority.

Mr. Frank Valeriote: Does your submission have the wording?

The Chair: I'm sorry, but I have to stop it there.

•(0920)

Mr. Frank Valeriote: All right.

Mrs. Karen Proud: Yes.

The Chair: I will advise committee members that the document is being translated. There is some technical language, so it takes a few days longer. I assure you that you'll get it as soon as it is transcribed.

Mr. Richards.

Mr. Blake Richards (Wild Rose, CPC): Thank you, Mr. Chair.

Thank you to both witnesses for being here today. I appreciate your testimony and the questions that you've answered so far. I have a couple of questions for each of you.

I'll start with you, Mr. Laws.

You testified before the Senate committee concerning this bill. You said that the Canadian Meat Council "support[s] the consolidation and modernization of the legislation presented in Bill S-11". Could you explain to the committee a little further why you feel that consolidation and modernization of Canada's food safety legislation is so important, particularly to your meat industry here in Canada?

Mr. James Laws: Certainly. It surrounds the fact that if you look at the frequency of inspection at meat plants, it's a daily presence with veterinarians there at all times; whereas in other sectors, for instance, at a fish plant, it's my understanding there might be an inspector there only once a month, or at dairy facilities the inspector is there only once every six weeks. It is quite a paradox.

There are also some things in the Meat Inspection Act. The meat sector requires, for instance, in regulation 110, that for every new package of meat a label has to be pre-registered with the Canadian Food Inspection Agency. If we have a new package of ready-to-eat salami, the package goes to the Canadian Food Inspection Agency and we have to pay \$100.

It might take them six weeks or eight weeks to approve the particular label; whereas the dairy industry can put a new yoghurt at a retail store and not have to get the label pre-registered. We argue that this makes no sense. We still have to comply with all the rules, as does the dairy industry, but it just doesn't make any sense. We have seen several examples in which the label's being approved doesn't add anything to food safety, for instance.

What does, though, is that in meat factories, because the inspectors are right there every day in the room where a product is being made, they can read the label and say, "The list of ingredients says that there's this, this, and this." They can see exactly what goes in at that time. That is where the real food safety issue is, because, particularly with labelling, you don't want any allergens that would cause a food safety issue. That's just one example. There are several others.

It's just a matter of fairness. Why are these rules applied to the meat industry that don't apply to other sectors? That's one example.

Just working from Mr. Valeriot's comment, there are probably advantages to having inspectors go to different places. It would strengthen the food safety system, if they can use their expertise from another sector. We believe it builds on their expertise and is an opportunity for the inspectors to bring more to the table. In fact, it probably makes their jobs as inspectors more interesting as well. Rather than having to go to the same facility every day, they could go to different parts of the food chain and build on their knowledge and build a career with the Canadian Food Inspection Agency.

Mr. Blake Richards: Thank you, Mr. Laws.

Ms. Proud, I have some questions for you as well.

It's pretty clear that Bill S-11 is aptly titled as the safe food for Canadians act. It clearly will make Canadians' food safer; there's no question. You look at strengthening inspection, increasing penalties for those who are risking food safety, giving inspectors the right tools to do their jobs, traceability requirements. All these things are going to improve Canadians' food safety and that's obviously something we should all support. I know you do, and that's appreciated.

Probably equally as important is the perception, and for you particularly with the Retail Council, consumer confidence is vital. As much as we need to ensure we are improving food safety, we need to make sure it's visible and known to consumers as well.

I would like to hear your thoughts on whether you believe the changes under Bill S-11 would do that. Do you believe consumer confidence will be increased? Do you think Canadians will think their food is safer as a result of the measures taken in this piece of legislation?

●(0925)

Mrs. Karen Proud: I believe Canadians already feel very confident in the food safety system in Canada. I think some of the messaging coming out of this bill is going to help boost that confidence, such as the increase in penalties, the consolidation, the harmonization, but by and large, I think Canadians are very confident in the system we have today. I can say it's evidenced by the recent recall where we at the Retail Council did not see sales in beef reduced substantially because of the recall. I think Canadians are feeling very confident that the system does work.

The Chair: Thank you.

Mr. Atamanenko.

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Thank you very much again, both of you, for being here.

I have a few questions, but before I do that, James, I want to follow up on a statement you made in regard to national standards. I understand the need for safety in national standards. How can we maintain the safety net and yet allow small local businesses and farmers to survive?

I know in B.C., for example, when they introduced the meat inspection regulations a lot of people were hit hard. They were put out of business, because there were no longer local facilities to send animals to. Some absurd things happened in creating the new abattoirs or mobile abattoirs. They had to have the same size of bathrooms and showers for inspectors. They had to have an enlarged facility, and all those standards. Yet, as a lot of people have pointed out to me, the two major problems we've had with food safety issues have been with Maple Leaf and XL.

How can we continue to allow producers and smaller businesses to survive and still maintain confidence in safety in the food supply?

Mr. James Laws: That's a very good question. I think some of the changes that were made, for instance, to the meat inspection regulations recently did allow for more flexibility in terms of there being no prescribed bathroom sizes, for instance. The definition of "pavement" was changed so that it's just impervious to water. It doesn't have to be asphalt. There were several other things. There were proposed changes, as well, to allow for a storefront at a federally registered establishment, which I personally believe is a great thing because it does encourage the smaller ones that had been provincially inspected to continue to operate their retail store. That's great.

Perhaps there exist some situations like in B.C. and currently in Saskatchewan where they're rarely, if ever, inspected, and that does cause us grief. Yes, I realize the issues surrounding those larger meat plants. That's where the recall was from. However, people still could get sick from a smaller facility, as they could from a larger one.

Mr. Alex Atamanenko: I have another question. Maybe, Karen, you could start off with this.

Do you think whistleblower protection is needed so that food safety issues can be prevented before they reach consumers? Would you support the inclusion of this protection in the legislation? There are those who feel in the last incident that staff didn't feel comfortable in exposing what was happening. In other words, it's to protect consumers in the future.

Mrs. Karen Proud: In principle, absolutely we would support that. As I keep saying, food safety is paramount for our members. Any opportunity to highlight areas where there might be concerns is very important. I wouldn't have any problem with our supporting something like that.

Mr. James Laws: It's a good question. I won't answer it directly, but what I can say is that companies that end up being very successful are those that now have a very strong food safety culture which means that they are continually training their employees, that upper management is committed. This means they should be exhibiting the signs of being open to good suggestions and empowering employees to stop the line if they see any issues.

It would be unfortunate if we had to have that type of requirement in a company that was truly dedicated to food safety.

• (0930)

Mr. Alex Atamanenko: If a company were truly dedicated, it wouldn't affect them. What if there were a company—and I won't use the letter X because it implies something—company Z, which all of a sudden decided that they were not going to listen to employees but were going to push such things through, and there was no protection for employees? Do you think in a situation like that, having a standard, and we talked about standards in inspections, would be a good idea for the Canadian consumers and others?

Mr. James Laws: I think what some of our members would say is that, especially in a federally registered establishment where inspectors are around all the time, nothing would stop an employee from having a sidebar discussion with an inspector at any time. They would be able to do that. They certainly could do that. Would you actually need legislation? I would hope not. There are plenty of opportunities for people to talk to inspectors.

The Chair: Thank you.

Mr. Zimmer.

Mr. Bob Zimmer (Prince George—Peace River, CPC): Thanks for coming today.

I want to ask you both a general question, and this is a big one. I want to know what your general impression of our current food safety system is before Bill S-11. Can you give your impression of it to the committee today?

Mr. James Laws: In terms of our general impression, we noted in one press release we put out that Canada is very successful. We currently export meat to more than 125 countries. Those countries come to Canada. They audit our system. There was a review done by, I think, one of the universities in Canada that ranked Canada very highly in food safety.

The last thing I will say is that every day in Canada there are about 100 million meals consumed, if people eat three meals per day. If you look at the Statistics Canada website where the 10 leading causes of death in Canada are ranked, food is not on the list. We're very fortunate in Canada that people don't generally worry about eating food.

Mr. Bob Zimmer: Ms. Proud, you alluded in your statement earlier to the fact that Canadians are confident and still haven't really changed their habits a whole lot after this incident. Can you

comment as well on what Canadians currently think, or what you think of our current system?

Mrs. Karen Proud: We believe the system today works. We have an excellent food safety system in Canada. We work very well with the authorities in the interest of continuous improvement. This bill is another layer on that.

We have complete confidence in the system in Canada as we see it today.

Mr. Bob Zimmer: Chairman, I am going to ask them to expound on that layer next.

My next question is, how do you think the new legislation, Bill S-11, will improve food safety for Canadians? What are your impressions specifically on that?

Mr. James Laws: One important thing that Bill S-11 puts in place is that it requires all the importers of food to be registered, which is not currently the situation. It's my understanding that a few years ago, when there was a scare involving imported melamine, they had trouble tracking it as quickly as they could have had they had all the importers registered, as this bill will require. It will make it a lot faster. It will help them out a great deal in that regard.

Mr. Bob Zimmer: Ms. Proud.

Mrs. Karen Proud: I would say that this bill, in harmonizing practices between the various commodity groups, is going to help with improvements such as Jim alluded to earlier. Inspectors learn from moving from commodity to commodity. Having inspectors who have a broader view of the food safety system generally is going to help improve the system.

Mr. Bob Zimmer: I have a question for Mr. Laws.

You spoke earlier of one standard across Canada. I can see that working very effectively in many ways. We wouldn't have the interprovincial barriers that we sometimes have now. It sounds great, but to roll that out would be challenging, especially with provinces. Provinces obviously would need to support that as well. How would you see the rollout of that program?

Mr. James Laws: Trying to have one national beef standard certainly has been discussed for many years. It's a little strange, and it's difficult to explain to people that it's okay to move a product made in Ottawa to Kenora, Ontario, but you can't move it into Manitoba if it has been inspected only at the provincial level. It really is a difficult question to explain.

As for the recent changes made to the meat inspection regulations, and this pilot project that was put in place, I think it's a good first step to try to get everybody on a similar standard. If you look at the rules themselves, the larger a facility is, the more stringent the rules are surrounding what tests have to be done, for instance. If it is a smaller facility, it is a lower level of inspection, and it's a lower level of risk that's applied to certain categories of food. I hope that some day we can get to the point where we have the ability to have one system so meat can move between provinces in Canada.

Mr. Bob Zimmer: I have one more—

• (0935)

The Chair: Thank you, but I'll have to stop you there.

Mr. Bob Zimmer: Thanks, Mr. Chair.

The Chair: Ms. Brosseau.

Ms. Ruth Ellen Brosseau (Berthier—Maskinongé, NDP): Thank you very much for being with us today.

In light of the recent E. coli outbreak, I know that a lot of people I talked to, when they went grocery shopping didn't know where the meat came from. When I would buy steak for my son and family, I didn't know where the meat came from as well. I was wondering if you could comment on labelling. Would that help? Would that be more encouraging and valuable?

Mr. James Laws: Are you talking specifically about which processing facility it came from?

Ms. Ruth Ellen Brosseau: Yes, the processing facility, or maybe the province.

Mr. James Laws: Okay. If the meat is in a package that was prepared at a federally registered establishment, there is a crown on it, and there is an establishment number. You could go to the Internet and determine where it came from, but if it's a branded product, then you'll know. For instance, if it's a Maple Leaf product, the package indicates exactly where it comes from. Certainly, if there is more information that a company... If they're branding their product, then you will know where it comes from.

Also, you could always ask the store. If the store is taking a product, cutting it up, and repackaging it, you could ask the store where they got it.

Ms. Ruth Ellen Brosseau: Okay.

Would it be a good idea to have cooking temperatures on the labelling for meat products?

Mrs. Karen Proud: Health Canada has recently posted an information notice to consumers about cooking temperatures for tenderized beef in particular. At the same time, we've been working very closely with the department in getting that information to consumers.

I can tell you that some of our members have already labelled products right across Canada. Others are in the process of doing so. They're responding not only to Health Canada's suggestions, but to consumer demand.

It goes back to our members wanting to serve their consumers. Consumers are interested in getting this information, so our members have been labelling products. They've been putting temperatures on products, knowing that Health Canada is just launching into a review of the scientific evidence around proper cooking temperatures, which we'll be involved in quite intensely.

Ms. Ruth Ellen Brosseau: For meat tenderizing, I wonder if you could speak to that, Mr. Laws. What do you think about meat tenderizing and labelling?

Mr. James Laws: Absolutely, and I did bring a few samples that I bought at the store yesterday. From the Canadian Meat Council's standpoint, about 10 years ago we called for mandatory labelling, particularly of ground beef, with proper food handling instructions, such as cooking temperature, how to wash your hands, etc.. We still think it's a good idea, especially on ground beef. It's not mandatory, but many stores do have it already.

The sample I have here is a very good example. It does say to cook the product to 71°C. It does say to use a thermometer. It does say to wash your hands, for instance. This is a really good label.

Ms. Ruth Ellen Brosseau: Should that be on steaks also? We had some problems with steaks and E. coli recently.

Mr. James Laws: We certainly support Health Canada in currently undertaking to review the science surrounding meat tenderizing, absolutely.

Ms. Ruth Ellen Brosseau: We didn't really talk about line speeds at abattoirs and the ratio of heads of cattle being transformed and the number of inspectors needed. Is that something you can comment on? Are lines going too fast in certain abattoirs? Are they just getting too big?

• (0940)

Mr. James Laws: All plants are slightly different. The line speeds are approved, and the lines are staffed by the Canadian Food Inspection Agency according to the line speed, the throughput at that particular establishment. The establishment has to present a plan that is acceptable to the government, and they have to prove their system can handle that particular line speed.

Ms. Ruth Ellen Brosseau: There's no national Canadian norm for saying if 2,000 heads are going to be transformed at a plant, then 10 inspectors and two vets are needed. It's plant by plant.

Mr. James Laws: That's a good question for the Canadian Food Inspection Agency. They have the criteria for the particular plants that operate at those speeds.

The Chair: With that I'll thank our guests for being here today. We are going to take a brief recess while we welcome our next guests.

Just before we break, the proposed budget has been submitted and everyone has a copy. I'll ask for someone to move a motion with respect to that.

Mr. Allen.

(Motion agreed to)

The Chair: We will take a five-minute recess while our guests arrange themselves at the table.

Thank you.

• (0940)

(Pause)

• (0945)

The Chair: Thank you, everyone, and welcome back to the Standing Committee on Agriculture and Agri-Food.

The witnesses joining us at the table are: from the Canadian Association of Regulated Importers, Mr. Robert de Valk, executive secretary, and Sukhdeep Bilkhu, chair; from the Dairy Farmers of Canada, Ron Versteeg, vice-president. Welcome. You've presented before so I'll ask you to make your opening comments and then we'll move to questions.

Mr. de Valk, would you like to start.

Mr. Robert de Valk (Executive Secretary, Canadian Association of Regulated Importers): I'm going to ask my chair to make the opening comments.

•(0950)

The Chair: Absolutely, welcome.

Ms. Sukhdeep Bilkhu (Chair, Canadian Association of Regulated Importers): Thank you.

Thank you, Mr. Chairman and members of the committee, for the invitation to appear during your hearings on Bill S-11, an important bill for everyone in Canada and those outside Canada who buy Canadian-produced food products.

This bill will provide the regulatory environment for food production and marketing in Canada for at least the next 30 years, and therefore, we need to get it right. It is CARI's view that Bill S-11 sets out the framework needed to modernize food safety in Canada.

What is also needed is a Canadian national food strategy that will help guide the creation of the regulations that will quickly flow from this bill. It's like buying a much-needed new car but not having an agreement on how it will be used or where we would like to go with that. A national food strategy is being worked on by both industry and the CFIA, but this work is still far from completion.

CARI supports Bill S-11 because it will put all imported food on the same footing when it comes to food safety. We also note that Bill S-11 will increase the powers and tools available to CFIA's food inspectors.

Recent incidents have shown that there were gaps in the tools available and in which part of the food industry the regulation could be applied. We understand these weaknesses can now be corrected.

One area of concern CARI would like to raise is found in subclause 24(1). This subclause gives inspectors a lot of powers including, for example, the power to access a company's computer if a non-compliance is suspected. CARI agrees this is a reasonable approach providing the grounds to believe have been documented.

There's a difference in the wording between the English and the French versions of clause 24. The English version states "they have reasonable grounds" while the French appears to reference the inspector. We would suggest this difference be fixed by amending both the English and French versions to read "the CFIA" instead of "they" or "the inspector".

Much like the Competition Bureau has to document the reason to believe before being granted access to company records, so should the reason to believe non-compliance is taking place be documented before an inspector has access to company computers and all the other actions that can be taken under clause 24.

The change CARI is proposing for the English text is the replacement of "they" with "CFIA" and the insertion of the word "documented" between the words "have" and "reasonable". The passage would read, "in which the CFIA has documented reasonable grounds". This would ensure that an individual inspector could not decide on his or her own to exercise the powers set out in clause 24, without first convincing the CFIA officials that the powers are needed and putting on file the documentation setting out the basis for the reasons to believe. CARI believes this change will significantly reduce the concern about this clause among industry stakeholders and harmonize the investigation process with other federal acts.

Finally, to balance the no liability clause in Bill S-11, CARI suggests a contingency fund to be put in place as part of the act and to provide firms with access to funds to compensate firms for mistakes made by inspectors, test results, or other actions that proved to be wrong.

Thank you very much for your time.

The Chair: Thank you.

Mr. Versteeg.

Mr. Ron Versteeg (Vice-President, Dairy Farmers of Canada): Mr. Chair and members of the committee, thank you for the opportunity to participate in the committee's consideration of Bill S-11, the Safe Food for Canadians Act.

Dairy Farmers of Canada places a high priority on food safety and such related standards as traceability, animal care, and biosecurity. These aspects are important for the Canadian dairy sector.

I'm a dairy farmer from Cumberland, Ontario, just outside of Ottawa. With my family I manage an operation of 110 cows.

In June, DFC welcomed the new legislation, stating that food safety was a high priority for dairy farmers. We recognize it is a shared responsibility between the public and private sectors. The consolidation of food safety legislation would further clarify CFIA's role and responsibility related to food safety. DFC also indicated support for a more consistent inspection regime across all food sectors, and for tougher penalties on activities that put the health and safety of Canadians at risk.

DFC looks forward to seeing how the new act will recognize the role of technology in food production, enhance control over food imports and exports, deter from tampering and deceptive practices, and add strength to labelling, as well as maintain the authority to provide standards for food in Canada.

DFC believes that food quality is directly related to animal health and care. Healthy and well cared for animals produce high-quality milk. Consumers also expect that the environment will be respected in the process of producing milk.

Traceability is a tool to mitigate risk related to animal health, and will speed up market access recovery and the return to normal business in the advent of an animal disease outbreak. All dairy cows are already identified with unique ear tags under the existing legislation. The animals we export are identified of course, and all purebred animals are documented in their respective breed herd books. Premise ID information is already a matter of public record. For example, 45% of the dairy animals in Canada that are located in Quebec are fully traceable today. This is the standard we want to see implemented consistently Canada-wide.

DFC and its 10 provincial member organizations have worked closely with the CFIA and Agriculture and Agri-Food Canada to develop on-farm programs: the Canadian quality milk, or CQM, program, and more recently the national standard on biosecurity for dairy farms.

Several stakeholders were also involved in developing the code of practice for the care and handling of dairy cattle. DFC believes in integrating these tools so that farmers can assure the public about how their dairy products are produced and where they come from.

Consumers continue to trust the government's role in the food safety system. External and reputable third party oversight is necessary to continue to maintain strong confidence in Canadian food.

Mr. Chair, DFC is looking forward to the timely enactment of this bill and to participating in the consultations to develop the related regulations.

Thank you for your attention. I will be happy to answer your questions.

• (0955)

The Chair: Thank you.

Ms. Raynault.

[Translation]

Ms. Francine Raynault (Joliette, NDP): Thank you, Mr. Chair.

My question is for Mr. Versteeg, a dairy producer who owns 110 cows.

We are committed to supply management in this country. Can you explain to us how these sectors are committed to food safety? How are they going to work with this government to ensure the quality of Canadian food products?

Mr. Ron Versteeg: We already have a very good reputation regarding the quality and safety of our dairy products in Canada. We are guaranteed a fair return on our production.

Ensuring the safety of dairy products is part and parcel of our commitment to the population and to our clients who consume dairy products on a daily basis. It is not in our interest to have events occur that shake consumers' confidence.

There are inspection systems for farms. For instance, the purpose of Canadian Quality Milk Program is to prevent such episodes. We continue to improve those monitoring and inspection systems in order to guarantee to consumers that the quality and safety of milk and dairy products are always well-monitored.

Ms. Francine Raynault: Some stakeholders object to making the traceability of food commodities mandatory, claiming that this would lead to problems. What do you think about that?

• (1000)

Mr. Ron Versteeg: In the dairy sector, we may be more used to mandatory regulations. It may be a little more natural for us.

I nevertheless think that our obligations must be based on science. These requirements are based on science. These things have to be solid. We have to ensure that all of the producers or stakeholders in a given sector all respect the same basic criteria.

It is also a matter of fairness in competition. If certain stakeholders don't respect the rules, they have a financial advantage in a certain way, because they may have lower costs. Nevertheless, that endangers the well-being and health of Canadians and is not in the

public interest. It is also a matter of levelling the playing field, if you will, for all of those involved in a given sector.

Ms. Francine Raynault: Some people resist mandatory traceability, but that is not good for their business. It is not good for the sale of their products, because people are going to leave them on the shelf until they are safe.

Mr. Ron Versteeg: The lack of traceability certainly increases risks. This does not necessarily mean that food will not be as safe, but there is always a risk. In this file, risk always has to be managed so that Canadians are not exposed to health hazards.

Ms. Francine Raynault: Do I have any time left?

[English]

The Chair: You have one minute.

[Translation]

Ms. Francine Raynault: My question is addressed to the representatives of the Canadian Association of Regulated Importers.

Will this bill ensure that imported products meet the standards of the Canadian regulatory system? Will the bill ensure that imported products comply with the standards and requirements of the Canadian regulatory system, so that the food commodities that are imported into Canada, or that are exported from Canada, really meet our standards?

[English]

Mr. Robert de Valk: Yes, that's the objective of the bill, madam. The bill will give the CFIA powers that it does not now have to license importers. Currently, the importers of meat and poultry products are pretty well regulated by the CFIA, but the imports of most other foods in Canada are not regulated to the same extent.

This bill would fill that hole and correct that. It would ensure that whatever standards we have in Canada must also be met by the imported product.

The Chair: Thank you.

Mr. Hoback, go ahead.

Mr. Randy Hoback (Prince Albert, CPC): Thank you, Chair.

Thank you, witnesses, for being here this morning. This is very interesting testimony.

Mr. de Valk, I went through your testimony in the Senate committee. I thought I'd give you a chance to elaborate on some of your comments. I'll quote what you said:

Since all food manufacturers and importers of food products compete for this share of the Canadian consumers' stomach, all food products should be subject to the same food safety act. That is what we are starting to do. Before, regulation of poultry was one thing, beef another, fruit and vegetables another and dairy was another. We are now saying, "When we have a rule for safe food, it applies to everybody the same way."

I think you're talking about the bringing together of the different acts and the different areas.

Do you have an example of a situation where an inspector comes to one facility and then one would have to wait two or three weeks for a different inspector to go to that same facility because they're handling two or three different products?

Mr. Robert de Valk: Yes. That's certainly one of the difficulties we have with the current approach.

The training has been very commodity-specific. As a result, the food industry in Canada and I think Canadians in general are starting to realize that we need to treat all food the same, and that is a bit of a problem because of the structure we've developed. This bill would put a whole new umbrella—a whole new framework, as we've referred to it—over food safety in Canada.

Perhaps it's easier to think about this in terms of a specific example. I'm thinking of the word "natural". Many of you probably have seen the word "natural" on some products, more so in the U.S. than in Canada. In Canada we took a position a long time ago that the word "natural" belongs naturally where it is, and it shouldn't be on products. As a result, we've avoided a lot of the difficulties that the United States have had with that word.

However, consumers are looking more and more for natural products, or cleaner products. We've asked the CFIA's labelling section to take a look at the word "natural", because currently it's being denied to the meat industry. We can't use that word. It's considered that meat is not naturally produced because we have men and women growing meat, and therefore they've said that's not natural.

We've said that's a bit of a problem for us, because when it's yogurt, for example—and there's someone here who's in the dairy business, so maybe they can explain this—it could be natural, but that's still an animal product. Therefore, we said, "Why don't we level the playing field? Why don't we use the word "natural" right across the board? If anybody can use it, then everybody can use it, and let's define it."

That's the way we'd like to see the new act go, so that the regulations don't apply to just meat and poultry but to all food products. That's the genesis behind that comment and where we think this bill can take us. I think that's a much fairer way to regulate the food industry.

• (1005)

Mr. Randy Hoback: Actually, you went exactly where I was going to go from my first question, which was the labelling terminology and how involved CFIA should be in the labelling process. I know that in the new act there are penalties for tampering with labels, and additional information on labels will be required.

When we look at traceability, do you think the labelling has to encompass some of that traceability going right back to the packing plant or the facility where the product came from? I always wonder how it works. I wish I'd had a chance to talk to the Retail Council. When a slab of beef goes to a Costco, for example, and is cut up, how do we know exactly how that traces back?

When you look at the situation at facility 38, I think it was, with all the product being thrown away, it makes me wonder, if they'd had proper traceability from the plant going forward—not back to the farmer, but going the other way—if a lot of that product wouldn't have been thrown away.

Do you have any comment on that?

Mr. Robert de Valk: You're right on; you're thinking in the right direction.

I can tell you that I was in a plant in Europe, in Holland actually, not so long ago. There I saw technology work really well. They could trace the chicken that came into that plant from the grower who produced that chicken all the way through to the part that was sold in the supermarket. They kept control of it all the way through the plant.

It's almost like the plant had something like a flight control tower that airports have. There were windows and computers. They were able to see exactly where the chicken was going.

I think we're lucky in this generation. Consumers today can benefit from all this technology. This bill sets the framework so that we can incorporate that technology, so that we as an industry can make this technology available and work with it. The legislation can keep up. Then we can say to the whole food industry across the board, and not just to a meat plant, that we know that traceability is economically achievable, that the technology is here and we want the industry to implement it.

I think this bill allows us to keep up with those kinds of changes.

The Chair: Thank you.

Mr. Valeriote.

Mr. Frank Valeriote: Thank you, Mr. Chair.

Thanks to all of you for coming today.

This is for Robert and Sukhdeep.

In your opening remarks you said that imported food is regulated to a lesser extent. This confirms testimony that was given before this committee a year or so ago. That testimony suggested that only 2% of the food coming into the country is actually inspected, meat to a much greater extent, which you also said. As a result, a lot of Canadians have concerns about imported food when they hear about melamine in milk from China. I'm not trying to discredit; I'm just trying to clear up some of this, okay?

Bill S-11 will include provisions to register and license importers, and it will require them to maintain a written preventative food safety control plan, so it sounds like the government is downloading responsibility for food inspection to the importing industry. If there's still a lack of inspection of this food that is coming into our country, can you tell me how being licensed and adopting a preventative food safety control plan will indeed assure Canadians that their imported food will be any safer than it is now?

• (1010)

Mr. Robert de Valk: Yes, that's well put, I think, but we need to back up to your starting point. That is the idea that imported food coming into Canada right now is not inspected as much or is somehow under less control. That's not accurate. And we didn't say that either. I'll try to explain it to you.

What is happening is that the CFIA has for years had a regular program of inspecting all kinds of food coming into Canada. These are parameters set using science and saying that if we inspect x number of loads of imported food, we'll have a pretty good understanding of what's coming into Canada. It's not unlike the vote polling that goes on. If you access 1,200 Canadians, there's a pretty good chance—95%—you'll get pretty close to what Canadians are thinking. This is the same type of principle they use at the border.

That was going on. What was missing, and what we're talking about, is that when you found the violation, the only thing you could really do was take a product off the shelf and hope it didn't come in again. You didn't have the tool that you now have, which is you could actually prosecute an importer. You could identify the importer. Right now, we know that the food is coming in, and we don't like what's coming in. We found it and we tested it. We send it back, or we do something with it, but we can't really legally hold someone responsible. That's what changes.

In meat and poultry, of course, all the plants are registered, and we can only import from registered plants around the country that have been approved by the CFIA. That was in place. If something was wrong with meat and poultry imports, you had an address. You had a component that you could address and legally take action against. We did not have that in a lot of food imports. That's going to change. The CFIA is going to register all food importers.

In talking about labelling, if we also insist—and we can, under this bill—that all labels should be registered before they come into Canada, then we'll have total control over those imports. We can then stand up, the minister can stand up, and you in Parliament can stand up and say that imports are controlled as well as any other product in Canada.

Mr. Frank Valeriote: Okay, and I appreciate your comments about tracing it back to who the importer is, but again I'm going to ask you, do you think we should dedicate more inspectors to conduct inspections on the food coming in?

Sukhdeep, you're nodding your head.

Ms. Sukhdeep Bilkhu: Right now, every load that comes into the country can cross from any border. One out of every ten loads goes for CFIA inspection. If there are any issues found with the material or with the plant, the CFIA puts on an intensified inspection. We also have pre-clearance for the U.S. and Brazil, so anybody who's going to import a product would have to first obtain pre-clearance from the CFIA before the product entered.

To answer your question on whether there are more inspectors required, Bob probably can help me out with this, but right now we don't have any issue with that, right?

Mr. Robert de Valk: No.

Ms. Sukhdeep Bilkhu: Any loads that are randomly going for inspection are checked. If there is any need for further inspection, that is flagged, and then further inspections are done.

Mr. Robert de Valk: What Lucky is talking about is the current meat inspection regime, and we definitely have a very strong protocol in place to deal with that.

What this bill tries to address is how we should deal with imports other than meat and poultry. I don't think it would be appropriate, and science would tell us that, to take the same approach as we do with meat and poultry.

Do we need more resources to do that properly? It's not unlike a question that was asked before we sat down here: do we have enough inspectors in meat plants and so on? Well, this whole question of whether we have enough inspectors hinges a heck of a lot on what we would like to do with our food industry and where we would like to go. Hence, a national food strategy is going to help us answer that question.

The other thing that will help us answer that question is the amendment that was made in the Senate, relating to a study that needs to be done every five years to see if the resources are actually in place.

When the CFIA was created over 10 years ago, we in the food industry supported its creation. We think the idea of an agency focusing on food safety is the right way to go. Canada has been a leader in this aspect and is an example. What we did at that time was to bring all the legislation together under the agency. One of the things that was promised at the time, which we would do, is go over that legislation and get rid of the quality stuff and all the other prescriptive things and focus on food safety.

That's what this bill is starting to do. It's really redoing that and focusing on food safety. If we do that successfully, then the question obviously is: if we had 5,000 inspectors under the old approach, how many inspectors would we need under the new approach and a new act? That's a question we need to answer. We need to do the work to study that.

I am not in a position to tell you whether it's less or more. If we have a good handle on what this new bill wants to do and what the regulations are, we should be able to study and determine, on a good science-based approach, what the number of inspectors required is. It could be less or more.

• (1015)

The Chair: Thank you.

Mr. Payne, go ahead.

Mr. LaVar Payne (Medicine Hat, CPC): Thank you, Chair.

Thank you to the witnesses for coming today. It's important that we hear your testimony on Bill S-11. We have heard a lot of positive comments from witnesses that this is a good bill. It's moving forward, and it's something that will help Canadians' confidence in our food system.

I have a couple of questions I want to ask Mr. de Valk or Ms. Bilkhu. You made some comments in your statement about access to computers and you had some concerns. What are those concerns? My understanding is that CFIA inspectors wouldn't be asking for this if they didn't have any good rationale. Here is an opportunity for you to describe that. As I understand it, if you do have concerns, there's also an opportunity to take those back to CFIA as well.

Mr. Robert de Valk: This is certainly not clear in the bill, and that's why we're asking you to look at it.

First of all, the way the bill is written, certainly in the French version, it seems like an inspector, on his own, can make a decision whether he needs to access a company computer. He simply walks around the plant, looks at things, and says, "I think there's something wrong here. Can I please look at your computer?" Well, we think that is just a little too easy.

We think it should require at least the inspector sitting down at his computer that he has available to him in the plant and writing up what his reasons to believe are and submitting them to someone at CFIA, who then would look at them and say that the inspector is right and he should go ahead and access those computers. The document would be in place and the CFIA would have made the decision that there is reason to believe there's non-compliance.

We're just cautioning you that the way it's written is a little sloppy. It allows one individual, one inspector, to make a decision to use these additional access powers. The additional powers being asked for in this act are significant. Don't belittle what's happening here. Do we need those powers? Yes, we agree as an industry that this is a step forward. We need them, but as we said in the statement, I worked for the Competition Bureau and I know how that worked. We could not access company documents without first going to a judge and saying that there's a reason to believe and we documented it.

All we're asking is that at least one other person in the CFIA look at this reasons to believe, and then they can go ahead and access those additional powers, whether it be with respect to a computer or whatever else they may need. It's just a little bit of a check on the powers. I don't think that's an unreasonable request to make.

• (1020)

Mr. LaVar Payne: It's my understanding that CFIA inspectors already must have reasonable grounds in order to go into a facility, look at documentation, and photograph or whatever. That's the understanding I have, that those rules apply to them at this point in time.

Anyway, I do have some other questions. I want to follow up in terms of inspections of food that comes in from other countries. I believe you talked about high risk and low risk, particularly in terms of meat inspection. Do you know what the process is for products coming in from other countries? Does CFIA already need to have an agreement with that country, having reviewed their systems?

Mr. Robert de Valk: That particular approach is in place for meat and poultry. In other words, we cannot import any meat or poultry products from any other country unless the CFIA has approved their inspection system. In some cases, if the system gives them some cause for problems in certain areas, the plant also would have to be inspected by CFIA before it can be done. For instance, from Thailand, we can bring in cooked chicken, but we can't bring in uncooked chicken, because they still have an animal health issue over there.

That type of approval of the system is not in place for other food imports. The way we handle the other food imports is pretty well at the border. We do random inspections and we hope that the rules for Canada are being followed through those random inspections.

What was missing, as I indicated earlier, is that when we do those random inspections we often run into a situation where we can't identify the importer in a legal way. Therefore, even though we may find problems, we have trouble enforcing, in going back and doing something about it. That's what this bill will fix up.

The Chair: Thank you.

Mr. Allen.

Mr. Malcolm Allen: Thank you, Chair.

Thanks to our witnesses.

Mr. de Valk, if I may, I'll follow up with your comment around clause 24. You talked about an inspector generating some sort of piece of paper that he sends or she sends—we'll use the generic term "inspector" before we decide if it's a he or a she. The inspector would send that and get something back, and then present it. If we have now generated this additional layer asking, who is actually informing that inspector to go ahead with the request? Who would that be? Is it going upward, where they're sending it to a supervisor who then okays it, with the requester then saying, "Well, I need it signed off by someone above you for that?"

I understand the concern, I think, of clause 24, because it's now the second time that it's been mentioned. What I am concerned about is, are we now creating additional layers to get a request fulfilled by an inspector who is making a direct request?

Mr. Robert de Valk: In industry we're not interested in layering, bureaucracy and paperwork, so don't think that this is a request to do that. All we're asking is that the inspector, who obviously already has some thoughts in his mind, put those thoughts on paper and make them available, probably to his supervisor in the office at headquarters, so that they're filed there. He doesn't necessarily need permission to proceed at that point. All we're saying is to document it so that if afterwards the firm says that the whole thing was a wash, both the inspector and the CFIA are protected and everybody is protected because it's on paper. That's all we're asking, really.

• (1025)

Mr. Malcolm Allen: I appreciate the clarification because initially it sounded as if we would be layering. I wanted to make sure that we weren't doing that.

I agree, by the way, that your clients have a right to ask what the request was. If you have a process where there was a complaint about something, you will then have something to point to on paper and say that this is what was requested. Then you can go ahead and go through the process. I really appreciate that clarification, Mr. de Valk. I think it's important that we understand that for clause 24 and don't start thinking, "My goodness, now where are we headed?"

The other side of it is, you talked earlier about the review process. You pointed to the Senate amendment, the five-year step, as being a good one. One of the things we've asked for is to benchmark so that in five years, we'll know what we have marked from. I agree with you. We don't know what the number is; it could be less, it could be more. It's always assumed that when this side asks a question that we're looking for more. That's not necessarily true. We're actually looking for the number that it should be, whatever that number is. Quite frankly, I really don't know what it should be. It's not for me to determine the number. I think that's what an independent audit would do.

If we benchmarked the number now, is that really the benchmark? My argument has been to figure out what it should be now, and then review it so we know what we've got in five years. I still maintain that if you don't do it now, you'll know something in five years, but you'll know a heck of a lot more in 10 years because you'll measure it against the five.

Mr. Robert de Valk: Industry is very high on benchmarking. I don't think we would have any problem at all with doing something we should have done five years ago, which is to figure out how many resources we need to ensure safety of our food products here in Canada. The sooner that's done, the better. This idea of waiting two, three, four years to do this review because the amendment was added doesn't make us comfortable.

You're right. If we do it four or five years from now and find out that we were under by 1,000, that's not very comforting to find out five years from now. Let's find out what the number should be. But I caution you that you have to understand what you're trying to do in order to assess this number.

With the new bill, it's going to take us probably a little while to tell the consultants who's going to be hired to do this. I doubt if anybody in the CFIA should do this. I think it's better to have an independent body do it. You have to set out some criteria for them. If we can get agreement on those criteria, which I think industry and CFIA are working toward, then sooner rather than later we can get this assessment done.

The Chair: Thank you.

Mr. Lemieux, go ahead.

Mr. Pierre Lemieux: Thank you, Mr. Chair.

Once again, I'd like to thank both organizations for being here today and for expressing your support for Bill S-11. I think it is important legislation. I think that there are a lot of things going very right in food safety, but there are always improvements to be made. It's never a completely perfect system.

On some of the wording, particularly in clause 24, Ms. Bilkhu made a suggestion on changing the word "they" to "CFIA". Right now, it says that "an inspector may, for a purpose related to verifying compliance or preventing non-compliance with this Act, enter a place, including a conveyance, in which they have reasonable grounds...". A suggestion was made that the word "they" should be changed to "CFIA".

My concern is that the inspector is acting on behalf of CFIA, with the authority of CFIA. To put it back to the institution to somehow have to sanction his presence there I think runs counter to what the

inspector is trying to achieve, which is a timely response to what he sees as a concern based on reasonable grounds.

What we just saw with the XL situation was that being able to respond quickly is very important. My concern with changing the word "they" to "CFIA" is that it institutionalizes a decision-making process that has already been vested in the inspector himself or herself and that the inspector is there to respond quickly. But it must be based on reasonable grounds. In fact, if a company were displeased with the way in which an inspector had conducted himself or herself, it now has recourse, not back to the inspector, but back to a tribunal that would look at the situation and consider both the arguments made by the inspector and the concerns of industry.

Could you comment on that? Do you agree with what I'm saying? My worry is that it's going to slow things down for the inspector trying to do his work with the authorities, with which he's already vested through legislation. He is an inspector of the CFIA.

• (1030)

Mr. Robert de Valk: Yes, he's an inspector of the CFIA, and he's recognized as that. We're not trying to slow it down. I think the answer we gave to Mr. Allen has already addressed some of that.

To more specifically address your concern, you are saying that the inspector has reason to believe he's part of the CFIA and that, therefore, he can act. The reason to believe is in his mind, and that's the way it works. What we're asking for is that what he's thinking be put down on a piece of paper, so that when this tribunal situation arises, or when someone questions him, it won't be, "Well, that's what I was thinking at the time." It would be, "Here's the piece of paper I created at the time." He can put it in his computer. He's not asking permission. He's simply documenting his thinking, and that's the piece that's missing here.

When you put CFIA in here, all it means is that it is documented. The CFIA has documented it.

Mr. Pierre Lemieux: I'm not so sure about that.

My point is that if you change the word, there are two things going on. There are two suggestions you made.

If you replace the word "they" by "CFIA", then what you're saying is that the CFIA—not the inspector, but the CFIA—as an institution must have reasonable grounds. That's very different from the inspector who has been vested with certain authorities through legislation and through the CFIA having reasonable grounds. It is institutionalizing that portion of the decision. That was my main comment. I think that will slow it down because now the CFIA, as an institution, must have reasonable grounds. They must communicate that to the company, document or no document.

Your second point, though, is that the reasonable grounds must be documented. I appreciate your clarification, but I think just inserting the word "document" doesn't necessarily achieve what you want it to achieve. When you look at some of the things the inspector is doing, this will grant the ability for the inspector to examine, or test, or take samples of anything that is in the place, or open a package that is in the place, or examine a document that is in the place.

Again, you are asking the inspector, who must have reasonable grounds—it can't just be on a whim, but there must be reasonable grounds for doing so—to write it out, submit it back into the institutional CFIA, have the institutional CFIA allow him to do these rather reasonable inspection-type activities.

I do find that onerous. I understand that you're saying you don't want it to be onerous. I get it. But I actually think it will be onerous because when you read it and start thinking about how this would work, it would become onerous. It would become slow, and the response time of inspectors would drop dramatically.

Mr. Robert de Valk: I think that you're overreacting to the process that we're asking to be put in place. If you ask most inspectors, they would agree with us. They would like to have some comfort when they're taking action.

You may think that inspectors will do this, but I'll tell you right now that, as a result of the incident, there has been a lot of hesitation among inspectors to do things because of the consequences that flow from their actions. You're asking an inspector to do some pretty interesting things. Inspectors are human beings as well and they need some comfort that what they're doing isn't going to be just their say-so. It's a two-way street here. We're making it comfortable for both parties for someone to proceed.

Your scenario where you say he documents it and then he has to get permission from the CFIA to proceed, that's not what we have in mind. What we have in mind is to put the documentation in place and ensure that it is in a place where others can see it, so it then becomes a point of reference for future action. The inspector can go ahead based on his reason to believe, but the only thing he has done is, instead of just acting, he's put it in a document.

The reason the documentation word makes some sense is that we've put "CFIA" in the "they". You're right. The institution that is getting the document, and where the document is placed, is correctly the CFIA.

This issue goes beyond the inspector. It's not just between the inspector and the plant. This is the CFIA. You're right. Right from the beginning he's part of the CFIA. I don't know how you can separate those two. The CFIA has to be comfortable that they're doing this because there's reason to believe. No inspector does reason to believe all by himself. Reason to believe means plants could be shut down. No inspector is going to do that on his own. In the incident such as we had, there were 46 inspectors there. None of them was going to shut down a plant; I can tell you that.

This is something that is worthy of consideration. If we want this to work, we've got to make sure everyone in the system is comfortable.

• (1035)

The Chair: Thank you.

Mr. Atamanenko.

Mr. Alex Atamanenko: Thank you for being here.

This bill obviously offers improvements to what we had before.

Mr. de Valk, you mentioned improvements at the border. You also mentioned, during the last conversation, that you think we should be improving the method of reporting, or inspectors' access.

We have this piece of legislation. We're listening to you. We want to hear your comments. We want to know if there could be any improvements. If we didn't want this to happen, there would be no need to listen to you folks.

This question is for all of you. What do you think we can add to the current piece of legislation to make it even stronger and to make it more acceptable to Canadian consumers and producers, and to the Canadian public at large?

Maybe we could start with you, Mr. Versteeg.

Mr. Ron Versteeg: I think the legislation is certainly the starting point, but as I mentioned in my presentation, the devil is in the details. The regulations that come afterward will have a large impact on the success of this piece of legislation.

That process hasn't yet started, but it's an important piece.

Mr. Alex Atamanenko: You've obviously thought about this. Is there some aspect of the subsequent regulations that you think should be mentioned or included?

Mr. Ron Versteeg: I would say that they need to be sufficiently prescriptive to ensure that we achieve our end goal, which is protecting the health and safety of Canadians. At the same time, they need to be not so onerous that they impose unnecessary cost burdens on producers or other people in the supply chain.

Mr. Alex Atamanenko: Do you have any examples that you've been discussing with your colleagues?

Mr. Ron Versteeg: None come to mind right off the top of my head. As I mentioned earlier, in our sector in dairy, maybe we have a little less opposition to prescriptive rules. We think they make everybody operate at a higher level, which in the end is good.

Not everybody shares that point of view, but....

Mr. Alex Atamanenko: It's regulations that make sense and that make this work.

Mr. Ron Versteeg: Yes.

Mr. Alex Atamanenko: Mr. de Valk or Madam Bilkhu, do you have any other ideas to share with us that would strengthen the bill?

Mr. Robert de Valk: One of the objectives of this bill is to encompass all elements of the food industry.

I must confess that we have not screened the bill to the nth degree to be able to answer correctly for ourselves that yes, everything is covered. We know some critical sectors are covered that weren't covered, but that's the objective. If you're going through the bill and you think that transportation really isn't covered as well as you thought it would be, then we need to correct that.

It's clear from the recent incident that to have safe food a lot of things have to go right. To have an incident and a lot of little things go wrong, that's the flip side of that coin. A lot of things have to go right. What do we mean by that? We mean that food safety has to be practised at every opportunity in the food chain. If we find out that by doing something at the farm level we improve food safety, then we would expect this bill to be able to enforce or regulate that activity. If it happens to be in transportation or distribution and we find out that in distribution there's an abuse occurring, with respect to temperature for example, or at retail there's abuse with respect to temperature and we want to correct that, we hope that this bill will give us the legs, so to speak, to address those kinds of situations and ensure that a lot of little things go right all through the chain.

That being said, the only thing we think is missing from the bill that we haven't mentioned is an appeal mechanism. There's been reference made to a tribunal of some kind, but certainly there's nothing in the bill where we can appeal a decision the CFIA has made. Given the additional powers, an appeal mechanism would certainly be wise to put in place. As you encourage people to make decisions, there are times when mistakes are made, and we recognize that. But a mistake in food safety can result in a firm going bankrupt and product being recalled, and millions of dollars wrongly assessed to a particular company. That affects our competitive situation. That's why we mentioned the mechanism, the offset to the liability statement in the bill. An appeal mechanism would make eminent sense in terms of addressing the balance in the bill. It's very much giving powers to a certain group of people. We agree with that as industry, but at the same time, we have to recognize there can be mistakes made. I certainly have knowledge of firms that have gone bankrupt as a result of mistakes made in food safety analysis.

This is not an exact science. It's very much a culture. We all agree we need to work toward that end, but at the same time, we've got to make sure there's some balance.

● (1040)

The Chair: Thank you.

With that, I'll thank our witnesses for being here today. I appreciate your time and counsel. Again, thank you.

For the sake of the committee members, I just want to make sure that you understand that by Friday we will need any amendments that you're proposing to the bill. I also want to confirm that we will be doing clause by clause next Tuesday morning in our regularly scheduled meeting and that we will be dealing with the Canadian Grain Commission that evening, Tuesday of next week, from 6 p.m. to 10 p.m. The witness list has been provided. I think I've chosen wisely, but if there are additions or if members think we may need extra time, let me know through the clerk.

Mr. Valeriote.

Mr. Frank Valeriote: Mr. Chair, I understand not this Thursday but next Thursday will be considered a Friday for House purposes. Am I to assume that we're still meeting at 8:45 on Thursday morning, November 8?

The Chair: We have that as a scheduled meeting, but it will be subject to completion of previous business by the end of the November 6.

Are there any other comments?

Seeing none, the meeting is adjourned.

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