

SPEAKING NOTES

**Rory McAlpine, Deputy Minister
Ministry of Agriculture, Food and Fisheries**

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Food Safety Policy and Regulations and Their Impact on Marketing and Trade**

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Introduction

- Thank you good morning everyone. I bring greetings from Minister John van Dongen who sends his regrets that he cannot be here today.
- I'd like to kick things off this morning with an anecdote taken from a book written by Pulitzer Prize winning author Carol Shields entitled Larry's Party. Larry's mother, Dot Weller, grew a row of runner beans every summer and in the fall preserved them in sealed jars.
- To impress her in-laws she decided to invite them, for the first time, over for a Sunday dinner. She prepared a delicious meal and watched proudly as her mother-in-law helped herself generously to the beans. It didn't matter to her that no one else gave them a try.
- Unfortunately, an hour later Mum Weller complained of double vision and started to have trouble swallowing. Then, she rocked back and forth a few times, groaned suddenly, and fell forward with a crash to the floor. In an instant, she was dead.
- "Mum Weller's death, as revealed later through laboratory testing – was caused by severe type C botulism. The source of the botulism was Dot's stewed runner beans, inadequately sealed and insufficiently heated. A row of beans, looking purely green and innocent in glass jars – suddenly the agent of evil."

- Ladies and gentlemen, food safety is a serious business.
- Whether it relates to an error made during an afternoon of home canning or an outbreak of BSE or Avian Influenza, all stories about unsafe food undermine public confidence in the food they buy and puts us, as a province, and as a nation, at risk of significant economic consequences.
- Mum Weller may be a fictional character but her story resonates with all of us because, in fact, the cost of food related disease to Canadian society is high.
- Every year food borne illness is estimated to affect one million Canadians with ten to fifteen deaths. Diet related chronic disease is responsible for more than six billion dollars in health care costs and lost productivity each year.
- Yet, I believe the food safety protection provided in Canada is good. In spite of these statistics, we have not had the food borne illness outbreaks of other countries.
- Food safety issues are increasingly complex as they manifest within an environment of:
 - Increased volume, diversity and speed of trade,
 - increased interconnectivity of companies, nations and individuals,
 - increased risks due to old pathogens like E.coli and salmonella as a result of the concentration and intensification of agricultural production
 - increased risks due to new pathogens like BSE and AI – so called “zoonotic” diseases put both human and animal health at risk
 - increased public interest in food attributes such as low carb diets, nutraceuticals, whole foods, slow foods, organic production methods, and,

- increased visibility around different levels of food safety – sometimes driven by campaigns such as we have with farmed salmon in BC, where ENGO's are trying to discredit the industry and its products through disinformation about contaminant levels; and sometimes driven by regulatory failures in neighbouring jurisdictions.

- Sound government policy and regulation -- based on good science, transparency, a gate-to-plate approach, cost minimization and clear accountabilities on all players in the value chain -- are the foundation for better food safety outcomes.

- That is the “what” on which I am sure we have a large degree of consensus in Canada. But, in our complicated and diverse federation, the “how” is a little more challenging.

- Fundamentally, we need better policy and regulatory frameworks that help us integrate the responsibilities of different agencies and industry groups in different jurisdictions. This is necessary if we are going to make better and faster decisions and achieve the right balance between protecting the safety of our food, plant and animal resources, while minimizing the economic consequences of biological threats.

- Today, I'd like to share with you what I think are the three elements of such a framework.
 1. First, we need to promote harmonization of standards – based on outcomes and recognition of equivalence where possible – both nationally and internationally.

 2. Second we need to significantly improve federal-provincial governance of food safety, and animal and plant health.

3. Third, we need to ensure greater transparency in reporting the success and failures of our food safety systems.

Harmonization of Standards

- Let me begin by saying that different people take different meanings from the use of the term “harmonization”. To some this means the adoption of a commonly developed approach to the standard and its implementation. To British Columbia it means that there could be several approaches to a standard and its implementation so long as the outcome achieved is common. I will comment more on this shortly.
- As you are all aware we currently govern food safety under a complex federal/provincial system where standards are set and enforced differently.
- Exporters across Canada have long been frustrated with differences in regulatory requirements for food safety and quality, both for international and inter-provincial trade.
- In order to be recognized as a world leader in food safety, we need to examine each of our unique food safety systems, trade interests, marketing approaches and expertise with a view to achieving compatibility between different systems and interests.
- This is not a new idea. The Canada – US Free Trade Agreement of 1988 pursued harmonization of standards and the equivalence of inspection systems. Several technical working groups were set up to pursue harmonization. This was made stronger in the NAFTA based on explicit rules and disciplines. Then the NAFTA became the model for the WTO’s Sanitary and Phyto-Sanitary Agreement.

- Both the NAFTA and the WTO gave explicit recognition to the concept of equivalence of standards and inspection regimes as a basis for trade.
- In British Columbia, we support the equivalence approach which moves the focus from a prescriptive to an outcome based regulatory system which defines and achieves an acceptable level of protection against plant, animal and human health risks. Our new *Food Safety Act* and the *Meat Inspection Regulation* which will take effect soon, are based on this approach.
- At the same time, a focus on outcomes allows for some variations in operational practices between jurisdictions, allowing greater responsiveness to their specific situations.
- This approach, therefore may offer a more realistic possibility of significant and meaningful progress toward harmonizing regulations and facilitating trade, while advancing excellence in food safety and quality and addressing local circumstances.
- Canada has been hard at work for years now to put in place a model National Meat Code to reflect our common interests in a harmonized approach to meat safety and inspection. While one exists, the work has highlighted that each jurisdiction may do something slightly different to achieve an outcome. So long as the Code is used as a guideline it is not inconsistent with our approach in British Columbia.
- But still, unlike what has been accomplished under the WTO and NAFTA trade agreements, we still lack a formal, legally binding framework to support harmonization, based on recognition of equivalence of outcomes, within our own country. That strikes me as being rather ironic, but more importantly, it does a disservice to Canadians and the Canadian economy.

Federal-Provincial Governance

- Of course it is not for lack of effort that we find ourselves in this situation. Back in 1994, federal and provincial ministers endorsed the “Blueprint for the Canadian Food Inspection System” (CFIS) and many federal-provincial-territorial committees have been busy every since.
- The 1995 federal/provincial Agreement on Internal Trade (AIT) aimed to further drive forward progress on regulatory harmonization in inter-provincial context. But, to this day, it remains non-legally binding and deficient in its scope and coverage.
- The provinces have committed generally to reconcile their standards and regulatory measures by means of harmonization, mutual recognition and other means and made specific commitments to this end with respect to food safety and quality measures.
- But we have three levels of government so the need to collaborate in a seamless way is very hard, particularly in an environment where the domestic and international risk factors, trade patterns, public expectations, and scientific understanding and testing capabilities are evolving so quickly.
- We have to look at our respective roles and responsibilities to see how we can seek innovative solutions across jurisdictions and up and down the value chain.
- This collaboration needs to be soon grounded in an upgraded policy and governance framework.

- In this regard I think we have much to learn from Australia and New Zealand. Since they agreed to develop joint food standards in 1996 they have come a long way. The Australia New Zealand Food Standards Code shows how two sovereign countries can set common standards governing food composition, labeling and contaminants.
- Then with the creation of the Food Standards Australia New Zealand agency in 2002 there has been a significant harmonization of state and national approaches to food regulation and inspection, involving both health and agriculture agencies. For example, New South Wales has amalgamated the food compliance activities of its health and agriculture portfolios into the NSW Food Authority.

And on the strength of this regulatory convergence, Australia is moving quickly to a whole-chain approach to food safety based on mandatory, HACCP based, commodity specific standards, including “Primary Production and Processing Standards” for primary industries.

Transparency/Reporting

- There is an old adage in business and government that says “you change what you measure.” The culture of “performance measurement” and “benchmarking” is pervasive in government these days. But when it comes to food safety, we still have a long way to go in Canada.
- This is important because in the world of food safety and trade we need to make it clear to the buyers of our food products, at home and abroad, that our food safety systems deliver on our food safety goals and standards as expected.

- Moreover, for decision-making systems to support a risk management approach that is outcome oriented and provides specific levels of protection against risks, we need to measure and report the outcomes in a timely and consistent fashion.
- The British Columbia Centre for Disease Control is unique in Canada and is a good example of what I am talking about.
- Its food-borne disease reporting is unique. [show slides]
- In B.C. we promote science-based approaches to monitoring food production systems, from plant and animal health through to food safety and quality and product tracking throughout the food production system. And we report on the results.
- Of course all provincial and federal agencies involved in food safety standards and inspection report results to some extent. But how well is the reporting integrated across Canada? We don't seem to have a system of reporting cases of food-borne illness that is as extensive or transparent as it is in the United States, despite our more simplified system of accountabilities at the federal level. We tend to employ passive surveillance with ad hoc reporting, while the US does active surveillance and regular reporting.
- We have greatly improved our system of informing consumers about nutritional values, but somehow when it comes to food safety, regulators have a tendency to think too much information will scare Canadians, or that Canadians might become aware that we don't have a "zero risk" food safety system.

- But there are several negative consequences from this. For example, when there is a regulatory failure, consumers may tend take it out of context and see the whole system as failing (and downplay their own responsibilities for ensuring safe food preparation). Second, the spotlight is taken off industry and thus the incentive to continually improve their performance is diminished. Third, regulatory agencies themselves may become complacent, thinking that regular audits of their programs and policies (as Health Canada does in the case of CFIA) are sufficient. The pressure to set targets based on real outcomes is absent.
- To briefly illustrate this, you may be aware of the “contaminated farmed salmon” scares we have had in BC over the past year. Claims have been made regarding unacceptable levels of PCBs, flame retardants, and veterinary drugs in farmed salmon. In each case federal regulators have had to reluctantly go into a “damage control” mode of communications, usually well after the headlines are written. Of course, CFIA is regularly sampling fish products for contaminants and has lots of historical data to demonstrate their safety, but it tends to come out in ad hoc, fairly technical reports that don’t help consumers understand relative levels of risk or their cumulative effect.

Conclusion

- I have to end by saying something about the relevance of BSE, Avian Flu, Walkerton, Aylmer Meats, etc. to this discussion. To me they are important from several perspectives.

1. They demonstrate that the economic and social consequences of regulatory failures in relation to food safety are huge, and can extend well beyond the agriculture and food sector which is directly implicated. For government itself, there can be huge costs if food safety programs, scientific research, inspection activities, monitoring and surveillance, etc. are under-funded. While it was not a food safety issue, AI in the Fraser Valley cost CFIA \$64 million in direct compensation and had an aggregate economic impact of about \$360 million.
2. They demonstrate that regulatory harmonization has to keep up with trade. If we had made more progress in that regard under NAFTA, could we have kept North American borders open to cattle and beef in the wake of our BSE crisis? Can we ever emulate Australia and New Zealand? Maybe not, but we need to throw new energy into the task. With the threat of bio-terrorism and the huge US pre-occupation with security, this is more important than ever.
3. They demonstrate that we are paying a price for the slow progress in setting and enforcing harmonized food safety and animal health standards in Canada. I wonder, for example, if we would be struggling as much to expand our beef processing capacity, displace imports and develop new market opportunities for beef if we had a legally binding national Meat Code (backed up by a legally binding AIT) to overcome the differences in federal and provincial standards.

4. But these events also demonstrate that, in a climate of crisis, we can work very well together in this country and achieve some remarkable progress quite quickly. We need to work together as well in a climate of opportunity. From where we sit in BC, we are indeed seeing this in the way both levels of government and industry are taking some hard lessons from the AI outbreak and working out new arrangements to set and enforce bio-security standards and work more closely with our health partners. Sustaining an Agriculture Policy Framework built around the goal of marketing the safety and quality of our food products to the world will be difficult if program dollars build a nice house but don't fix the regulatory and governance basement.
 5. A final conclusion is that the consuming public is more sophisticated than we think. The rise in beef consumption in the early months of the BSE crisis, and stable consumption of poultry during the AI crisis, suggests that Canadian consumers do understand relative levels of risk when they get timely and accurate information. Conversely, when they get biased and malicious information from activists, as with farmed salmon, consumption falls. This underscores my point that we need more pro-active, consistent public risk communication from governments in relation to food safety. With transparency comes greater consumer confidence but also discipline and accountability for outcomes, for both the regulators and the regulated.
- Like poor Mum Weller in Carol Shields' book, we have a lot at stake in the food safety issue. Not just in terms of our own health, but in the health and sustainability of our food industries and the broader economy.

- In BC, industry and government are doing everything we can ensure consumers have confidence in the safety and quality of B.C. food, agriculture and seafood products while protecting the provincial economy from risks. Over the past few years we have accomplished a great deal but there is still much to do with our partners across Canada and internationally.
- Thank you.

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