



July 3, 2015

Eric Aubin, National Manager of Animal Identification Programs
Program Policy Integration Division
Canadian Food Inspection Agency
1400 Merivale Road
Ottawa, Ontario K1A 0Y9

Dear Mr. Aubin,

Re: CFIA discussion on program design for livestock identification and traceability program – proposed regulatory requirements – second round of consultation

The Beef Farmers of Ontario (BFO) represents the 19,000 beef producers in Ontario by advocating in the areas of policy planning, industry development and research, and domestic and export market development. As the measures imposed to facilitate full-chain traceability will have far-reaching implications for the Ontario beef industry we appreciate the opportunity to make comments on the Canadian Food Inspection Agency's (CFIA) proposed regulatory requirements for the ***Canadian Livestock Identification and Traceability Program***.

In general, BFO supports the advancement of full-chain traceability for the cattle industry but does not support any move to implement traceability regulations until plans to offset the costs to both producers and the broader industry at-large for the establishment, operation, and maintenance of a movement reporting system and all the associated technologies and training is outlined. This must go beyond the proposed support for the national database included in the latest consultation document.

Support Mechanisms

To date, only limited details on offsetting the costs of a national traceability system have been discussed and with no mention of a plan to assist producers or other beef operations come into compliance. Before BFO will agree to support any regulated traceability system the government must outline its plan to offset costs of compliance for producers.

In the current state, tag readability and retention rates and the proposed reporting requirements that will include the use of mandatory shipping manifests will delay the speed of commerce and create additional and unrecoverable costs; yet the latest CFIA consultation document states that *“industry will be required to invest in the purchase and maintenance of equipment to meet the new regulatory traceability requirements”*. BFO cannot accept this. While the commitment of \$7.2M to cover the development costs of the national database as well as 50% of the operating costs until March 31, 2018 is a good step forward, it fails to address individual producer needs. Database costs are only one component of the additional costs that will be placed on the industry.



Those who will bear the daily costs of the proposed regulations, such as producers, dealers, auctions marts, etc., must be provided significant assistance at the outset to ensure they receive the proper equipment and necessary training to comply with the impending regulations. Compliance should come at an absolute minimal cost to producers.

- **Dedicated Traceability Fund**

BFO strongly recommends that a dedicated traceability program fund be created to assist all beef producers and beef businesses with the purchase of tag reading equipment and management software. This fund needs to be delivered in a simple format outside the typical Growing Forward 2 application process to ensure all producers have access to funding to significantly offset the costs of traceability.

While government support programs typically do not provide funding to offset “normal business costs”, the introduction of full-chain traceability represents a unique and extraordinary case given the significant costs that will accrue to businesses across the beef supply chain. Therefore, BFO suggests that cash rebates be offered to producers to recoup the purchase costs of equipment. Producers who have previously received funding under FSTI, LATI or other traceability or food safety programs should not automatically be disqualified from new funding opportunities. Funding cannot be based solely on risk or merit.

In addition, CFIA and Agriculture and Agri-Food Canada (AAFC) must commit to provide traceability training to all producers and businesses across the supply chain to ensure everyone understands what is expected and how to comply with regulatory requirements. BFO supports a collaborative approach by industry and government in the development and delivery of a focused communications and outreach program but expects government to bear the costs.

Comments on Identified Traceability Gaps

The second CFIA consultation document outlines four gaps in the livestock traceability system in Canada. Below are BFO’s comments on each.

Gap 1: Livestock species that share diseases are not all subject to traceability requirements

BFO supports the harmonization of regulations for cattle, bison, sheep, goats and cervids. Clearly, the differences that exist between livestock species and their commerce systems will require some variation in the regulatory approach that is taken. However, the intent should remain consistent regardless of species. Cost differences should also be considered. For example, cattle producers spend millions of dollars a year on RFID tags while other species are free of this requirement. The investment made by cattle producers in individual animal ID, must be considered, as the cattle industry will not accept a more costly regulatory system for traceability than other livestock species.

Gap 2: The time period provided to report an event to a responsible administrator is too long to support an efficient response to disease outbreaks or natural disasters

- **Reporting Window**

While a seven day reporting requirement would greatly assist in disease management, the realities of the Eastern Canadian production system would make it difficult to comply with without negatively affecting normal speed of commerce.



If in the event of a disease outbreak *“regulated parties would be invited to rapidly report to the administrator livestock traceability information which has been recorded but not yet reported.”* In light of this, it seems unreasonable to require operations to report within 7 calendar days.

Expanding the reporting window to allow for normal speed of commerce and minimize costs to businesses, particularly for smaller operations, while inviting parties to report immediately in the event of an animal health emergency, strikes a more appropriate balance between minimizing cost and ensuring an appropriate response time.

BFO strongly recommends that a reporting window of **(14) days** be implemented to allow operations of all sizes an adequate amount of time to comply with reporting requirements in an effort to minimize business disruptions and cost. Many feedlots in Ontario take longer than seven calendar days to fill pens and many small processors and auctions operate on a limited basis, at a small scale with limited labour capacity. The production realities across the diverse regions of the country must be reflected in the reporting window that is ultimately adopted. CFIA must recognize that the production climate in Eastern Canada is far different than that of Western Canada.

- Records Management

BFO recommends repealing the proposed requirement that beef operations maintain records of all information reported to the national database for a period of five years. If the national database is required to retain all reported information for a period of ten years, after which time data would be archived and not destroyed, we question the necessity of placing additional record-keeping burden on producers and other beef businesses.

- Reporting Methods

While the proposed requirements outline what information will be required to be reported for livestock movements in Canada, they do not outline the methods for which this could be achieved. Moving to 100% electronic submission would be premature and would create constraints and additional costs for many operations. Phone, fax, mail and electronic submission should be offered to ensure all producers are able to comply.

It is essential that producers choosing to report via hard copy or phone are not held in non-compliance due to the time lag that will inevitably occur between an automated phone answering service and/or 24/7 call centre and data entry. Compliance must be based on the date received and not the date entered in the database.

Gap 3: The geographical precision of the traceability information is poor

Premises ID must be made accessible to all relevant national and provincial agencies in the event of a crisis. In addition to being accessible, premises IDs should be integrated and linked with all traceability systems across the country.

BFO does not support sub-premises identification despite the fact that multiple enterprises may be associated with a single site identification number. In the event of an animal disease outbreak, all species on the same site would be included in the control zone, regardless of ownership. To address concerns with establishing fault in the case of a serious violation on a premise with more than one operator, BFO recommends that tags be cross-referenced to the producer at purchase.



Gap 4: Information on the domestic movements of livestock is not known or readily available

BFO supports the development of nationally consistent movement reporting documents. The Ontario industry recently created a voluntary standardized shipping manifest that includes the minimum data set recommended by the Cattle Implementation Plan (CIP). BFO maintains that any new federal regulations should support this and other similar initiatives in other provinces as a means to facilitate movement reporting.

However, many questions still remain. Who is responsible for ensuring manifest information is completed correctly and how will compliance be verified and enforced? In addition, there are limited details provided regarding the intended end-use of this document. Will operators be required to manually upload this information to the national database or simply maintain record of the transaction, and for how long? These are important details that must be disclosed and agreed upon before regulatory requirements are put in place.

- **Passive Read-In**

BFO supports the principle of passive read-in but does not support regulatory requirements that dictate tolerance levels. There is a lack of clarity in regards to whether passive read-in would also apply to other intermediate sites, e.g. feedlots, backgrounding operations etc. BFO strongly recommends that this be clarified so that industry is aware that the principle of passive read-in will apply to all intermediate sites.

- **Movements within a Farm**

BFO strongly supports the proposal to allow movements within the same farm as defined as all land, buildings and other structures under the same management, without reporting. However, BFO recommends that the definition of a “farm” be amended to include custom operators. For consistency purposes, BFO recommends that movements of animals to and from a custom operator while under the care of the custom operator but under the ownership and management of another “farm” not be required to report movements.

Furthermore, as currently proposed, a custom operator not identified as an official tagging site will be acting in non-compliance if they re-tag an animal with a lost tag on their farms. More discussion on how custom operators will be treated within the regulatory package that is developed is needed to ensure they do not receive a disproportionate regulatory burden.

- **Tag Activation**

BFO does not support a regulated tag activation window. BFO recommends that tags be activated at purchase by the retailer.

How to get full movement reporting at Auction Marts, Assembly Yards, Buying Stations and Community Pastures

BFO recommends that auction marts, assembly yards, buying stations and community pastures be required to report read-in movements in the same manner as other intermediate and terminal sites, as technology becomes available and with significant financial assistance from government. This should be a phased-in requirement.



Miscellaneous Proposed Regulatory Amendments

- 5.2.1

The proposed prohibition 5.2.1, to repeal the current requirement preventing the reception of animals not bearing an approved tag is a welcomed change. However, continuing the requirement to re-tag an animal that has lost a tag, either in transit or before transit and just prior to slaughter, produces a regulatory burden that can easily be avoided by repealing the requirement to re-tag slaughter-bound animals. No traceability information can be gleaned from re-tagging an animal at a terminal site aside from where the animal was most recently transported and that information can be obtained easily, in most cases, from the movement reporting document (manifest) that, under the current proposal, will be required. To reduce costs to producers and processors and to eliminate potential health and safety risks that arise when attempting to re-tag a market weight animal, BFO recommends repealing the requirement to re-tag an animal that has lost its tag, on direct to processor movements.

- 5.2.2.

The proposed prohibition 5.2.2, to repeal the requirement that prevents the shipment of animals not bearing an approved tag, in order to recognize that 100% compliance with this requirement may be difficult to achieve, is positive. Tags are small and can be difficult to see during rapid loadings, particularly when trucks are loaded at night or in the early morning when lighting can prevent visual verification. However, more details are needed on the level of control carriers will be required to demonstrate to ensure animals are identified with an approved tag prior to loading.

The current prosecution model used to punish producers who are found to have shipped animals without an approved tag needs to be revised. Letters of non-compliance and threats of prosecution fail to consider that visual verification at loading is difficult to achieve and the fact that approved indicators are lost in transit frequently. The vast majority of producers do not attempt to purposely circumvent regulatory requirements for animal identification, yet the current process to address non-compliance assumes producers have been negligent in tag application or visual verification. In Australia, only producers found to be habitually and purposefully attempting to evade the National Livestock Information System (NLIS) rules are targeted for prosecution. This recognizes that slippage in regards to tag retention will occur regardless of the best management practices applied during tag application. In cases where animals arrive without an approved tag, Australian cattle are simply re-tagged with an approved indicator with the cost billed back to the producer. This is a far more cooperative arrangement than what currently exists in Canada and it eliminates some level of compliance bureaucracy.

- Export Certificates

BFO strongly recommends that certificates obtained for the export of animals be extended beyond the proposed 24 hour window. Transport times to the border and delays in shipment that can occur for a number of valid reasons will make a 24 hour certificate window far too short. To reduce the burden and bureaucratic cost of obtaining and granting multiple export certificates, BFO strongly recommends the window of approval be extended to a minimum of **(7) business days**.

Furthermore, the oversight mechanism used in export certification produces costly duplication that could be avoided. Currently, CFIA accredits veterinarians to conduct export certification, which is then duplicated by a regional CFIA veterinarian required to provide a wet stamp of approval, who unlike the on-site veterinarian, never comes in contact with the animals being considered for export. This is a costly and duplicative process that needs to be amended. BFO recommends that CFIA either eliminate



the second tier of export certification approval or eliminate the requirement for a wet signature and move to electronic certification to streamline the process and reduce costs.

- Access to Data

Who can access data stored on the national traceability system and for what purposes must be outlined. The value that the proposed system will bring producers must extend beyond how epidemiologically responsive it will be in the event of an animal health emergency.

- Animal Identification

BFO does not support the introduction of visually distinct replacement tags. However, BFO does support the standardization of ear tag location, in consultation with industry, to assist visual verification efforts and to decrease infrastructure costs.

Concluding Remarks

The impact of the proposed regulations cannot be overstated. As presently proposed, the traceability requirements will create significant and unrecoverable costs and delays in speed of commerce for every business across the beef supply chain. The comments identified in this document highlight the need for further discussion and consultation with industry to ensure the significant gaps in livestock traceability are addressed, complete with a plan to offset costs to industry before any regulatory package is publicly released in Canada Gazette.

The Beef Farmers of Ontario would like to thank the Canadian Food Inspection Agency for the opportunity to comment on the proposed **Canadian Livestock Identification and Traceability Program**. We would be pleased to answer any questions on the comments contained in this document and we look forward to participating in further consultations on this important issue.

Sincerely,

[Signature required]

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President

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