

March 28, 2024

The Honourable Anita Anand
President of the Treasury Board
90 Elgin Street, 8th Floor
Ottawa, ON K1A 0R5

Sent via Email: Anita.Anand@parl.gc.ca

Subject: BCAC on the Canada-United States Regulatory Cooperation Council

Dear Minister,

Thank you for taking the time to host a roundtable with industry representatives in Vancouver on March 12, 2024, seeking feedback on the work of the Canada-United States Regulatory Cooperation Council (RCC). On behalf of BC Agriculture Council (BCAC), we appreciated the opportunity to share experiences and perspectives from the agriculture sector on regulatory alignment between Canada and our valued trading partner, the U.S.

As you may know, BCAC is the lead industry advocate for key sector-wide priorities in B.C. Our mission is to grow a strong, sustainable, and competitive agriculture sector through building industry consensus and advancing public policy. We achieve this by delivering a unified voice for the sector to government through the 28 unique commodity associations that we represent. In turn, our member associations include more than 20,000 farm families who account for 96% of farm gate sales in B.C.

Kevin Boon, the General Manager of the BC Cattlemen's Association, was able to join the March 2024 roundtable and share insights with you that are specific to cattle ranchers, who rely greatly on efficient border management. However, not all our members were able to participate in the discussions in-person and so I wish to take this opportunity to share with you issues identified by the BCAC membership that may be of interest to the RCC's future work. These are detailed in the following paragraphs.

Fraudulent Mislabeling of Chicken Meat

Canada imports both broiler chicken meat and meat from spent fowl. The former are chickens specifically raised for their meat and this product is subject to import limitations in Canada, while spent fowl are egg-laying hens that have reached the end of their production cycle and so are processed for their meat. Spent fowl are not subject to import limitations and so can enter Canada from the U.S. duty-free.

Unfortunately, because it is impossible to visually distinguish broiler chicken from spent fowl meat, some importers have been deliberately mislabeling broiler chicken meat as spent fowl to circumvent import controls. In 2012, this practice became so widespread that Canadian imports accounted for 101% of American spent fowl production, which would be impossible without some fraudulent activity. Such tariff evasion has a negative impact on the Canadian economy and deprives the Government of Canada of valuable revenues.

In 2014, researchers at Trent University successfully developed a quick genetic test to verify whether a product contains broiler chicken, spent fowl, or some combination of the two. We would ask that this verification test be incorporated into the import process in Canada or, failing that, into the export process in the U.S. We understand that the U.S. Fowl Council is supportive of such a measure as the mislabeling of product in Canada also negatively impacts their interests. If further information on this verification test would be of interest, I would be happy to connect you with the relevant representatives at the Chicken Farmers of Canada.

U.S.-Canada Greenhouse-Grown Plant Certification Program

While the U.S.-Canada Greenhouse-Grown Plant Certification Program (GCP), administered by the Canada Food Inspection Agency (CFIA) and the U.S. Department of Agriculture (USDA), is intended to facilitate a level playing field between the two countries when it comes to trade in greenhouse-grown plants, this has not always been the case. We have increasingly seen American growers abstaining from the program and shipping their products to Canada with phytosanitary certificates instead, even as Canadian growers have struggled with increasingly stringent CFIA enforcement to comply with GCP requirements.

If there is to indeed be a level playing field between Canada and American greenhouse growers, then there must be greater alignment between CFIA and the USDA on compliance and enforcement standards under the GCP. The RCC could also encourage the development of participation targets in the GCP, periodically reviewing any gaps in the degree to which growers in the two countries participate in the program.

Organic Equivalency

Although Canada and the U.S. entered into an Organic Equivalence Agreement (USCOEA) in 2009, there continue to be gaps in the organic certifications offered by the two countries, which creates uncertainty for exporters and importers on both sides of the Canada-U.S. border. This uncertainty has been exacerbated by the recent entry-into-force of the Strengthening Organic Enforcement (SOE) Final Rule, which amends the USDA's organic regulations to intensify its oversight and enforcement role in the production, distribution, and sale of organic agricultural products.

We would encourage the RCC to consider this issue in its work. Such efforts should be directed toward identifying opportunities that can ensure the SOE Final Rule will not affect the applicability of the USCOEA and, if new regulatory gaps have indeed been created, to mitigate the impact of these on consumers' access to organic agricultural products.

Protecting Canadian Industry

The free exchange of goods and services between Canada and the U.S. helps to grow our economies and create jobs. However, circumstances can emerge in which restrictive policies are needed to protect Canadian industry. For example, such limits on trade with the U.S. have played an important role in preventing the spread of avian influenza (AI) and its potentially devastating impacts on Canadian poultry production. In 2022, Canada imposed temporary restrictions on the import of raw chicken meat and eggs from 21 American states where AI outbreaks had been identified.

It is important that Canadian authorities to retain the power to institute such restrictions in the future and that the Government of Canada be prepared to employ these powers when it becomes necessary for the protection of Canadian interests, even if it results in some regulatory misalignment with the U.S.

Inspection Challenges in Canada

While this is not an issue particularly relevant to the RCC mandate, it is a growing concern for Canadian farmers and ranchers that may negatively impact future Canadian exports to the U.S. and so I feel it important to bring it to your attention. Specifically, B.C. agricultural producers exporting to the U.S. are increasingly experiencing excessive delays in the inspection of their products by CFIA that seem disproportionate to the experiences of producers elsewhere in Canada.

Any delay at the border can have a significantly negative financial impact on Canadian farmers and ranchers. Many agricultural products quickly depreciate once harvested, and even a delay of one or two days could result in the product becoming a loss rather than a potential source of revenue. These delays oftentimes result from requests for additional information regarding a product's country-of-origin.

Generally speaking, the demonstration of origin is only required when specifically requested by the USDA and should be targeting plants that meet one of four criteria: they are plants Not Authorized Pending Pest Risk Analysis (NAPPRA) to the U.S. from other origins, post-entry quarantine (PEQ) to the U.S., commonly imported in growing media, or typically imported and not grown in Canada for a year. We would appreciate guidance directed to CFIA personnel advising that requests for demonstration of origin should be limited to the situations described above, rather than anything and everything that reaches the border. This will ensure more efficient border management, greater regulatory alignment with the U.S., and lower costs for Canadian businesses exporting to the U.S.

It is my sincere hope that you enjoyed your time in Vancouver on the occasion of the industry roundtable and that you will consider visiting B.C. again in the near future. If there is any need for additional background or context regarding the perspectives shared here, please do not hesitate to contact Danielle Synotte, BCAC's Executive Director, via email at dsynotte@bcac.ca or via telephone at 604-854-4483. BCAC and its member associations would be happy to provide any information that might be helpful to your work on behalf of Canadians or to the RCC's work.

Thank you once again for your consideration, and I look forward to any collaboration that advances the sustainability of B.C. agriculture!

Sincerely,

A handwritten signature in dark ink, appearing to read 'J. Woike', with a large, stylized loop at the end.

Jennifer Woike, President
BC Agriculture Council