



Canadian Food Inspection Agency

Performance Report

For the period ending
March 31, 2002

Canada

The Estimates Documents

Each year, the government prepares Estimates in support of its request to Parliament for authority to spend public monies. This request is formalized through the tabling of appropriation bills in Parliament.

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

The Estimates, along with the Minister of Finance's Budget, reflect the government's annual budget planning and resource allocation priorities. In combination with the subsequent reporting of financial results in the Public Accounts and of accomplishments achieved in Departmental Performance Reports, this material helps Parliament hold the government to account for the allocation and management of funds.

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Foreword

In the spring of 2000, the President of the Treasury Board tabled in Parliament the document “Results for Canadians: A Management Framework for the Government of Canada”. This document sets a clear agenda for improving and modernising management practices in federal departments and agencies.

Four key management commitments form the basis for this vision of how the Government will deliver their services and benefits to Canadians in the new millennium. In this vision, departments and agencies recognise that they exist to serve Canadians and that a “citizen focus” shapes all activities, programs and services. This vision commits the Government of Canada to manage its business by the highest public service values. Responsible spending means spending wisely on the things that matter to Canadians. And finally, this vision sets a clear focus on results – the impact and effects of programs.

Departmental performance reports play a key role in the cycle of planning, monitoring, evaluating, and reporting of results through ministers to Parliament and citizens. Departments and agencies are encouraged to prepare their reports following certain principles. Based on these principles, an effective report provides a coherent and balanced picture of performance that is brief and to the point. It focuses on outcomes - benefits to Canadians and Canadian society - and describes the contribution the organisation has made toward those outcomes. It sets the department’s performance in context and discusses risks and challenges faced by the organisation in delivering its commitments. The report also associates performance with earlier commitments as well as achievements realised in partnership with other governmental and non-governmental organisations. Supporting the need for responsible spending, it links resources to results. Finally, the report is credible because it substantiates the performance information with appropriate methodologies and relevant data.

In performance reports, departments and agencies strive to respond to the ongoing and evolving information needs of parliamentarians and Canadians. The input of parliamentarians and other readers can do much to improve these reports over time. The reader is encouraged to assess the performance of the organisation according to the principles outlined above, and provide comments to the department or agency that will help it in the next cycle of planning and reporting.

This report is accessible electronically from the Treasury Board of Canada Secretariat Internet site:
<http://www.tbs-sct.gc.ca/rma/dpr/dpre.asp>

Comments or questions can be directed to:

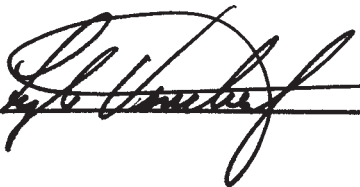
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Canadian Food Inspection Agency

Performance Report 2001-2002

For the period ending
March 31, 2002



A handwritten signature in black ink, appearing to read "L. Vanclief", is written over a horizontal line.

The Hon. Lyle Vanclief, P.C., M.P.
Minister of Agriculture and Agri-Food

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Minister's Message

I am pleased to submit to Parliament the Departmental Performance Report for the Canadian Food Inspection Agency (CFIA) for the period April 1, 2001 to March 31, 2002. The CFIA is the federal regulator for food, animals, and plants. This report presents the CFIA's performance in fulfilling its mandate with respect to its three business lines—food safety, animal health, and plant protection.

Food safety is a priority of the Agency. The CFIA, working in collaboration with other levels of government, producers, processors, and distributors has developed a food inspection system that Canadians have confidence in, and is respected world wide. During the past year, CFIA inspectors, veterinarians, and scientists regulated the food system to enforce provisions of the federal food safety and quality statutes. When problems arose, the Agency dealt quickly and competently with food-safety emergencies and, when necessary, exercised its authority to enforce federal standards.

To fulfil its commitment to protect the health of the livestock resource base, the Agency prevented the introduction and limited the spread of animal diseases. The CFIA also inspected livestock feeds for quality, efficacy, and compliance with safety standards. As well, the Agency continued to work to protect Canadians from animal diseases that can be spread to humans.

Protecting Canada's crop and forest resources from diseases and pests was accomplished through extensive surveillance to reduce the likelihood of serious plant diseases and pests entering the country. The CFIA also implemented and maintained eradication and control programs to contain the spread of diseases and pests already in Canada.

In the 2001 Federal Budget, the Government promised to "develop a new, integrated and financially sustainable architecture for agricultural policy for the 21st century." The Agency will continue to contribute to the development of key elements of this architecture through an initiative known as the Agricultural Policy Framework. Further, the budget committed to a long-term plan for "a more secure society." This included significant funding "to make Canada's border more secure, open and efficient." The CFIA will have a critical role in delivering this initiative.

All Canadians have benefitted from the services provided by the CFIA. I invite you to read this report and see how the CFIA's enforcement and compliance programs, inspections, investigations, recalls, quarantines, and other regulatory actions have protected the health and safety of Canadians, our foreign trading partners, and the nation's animal and plant resource base.

The Hon. Lyle Vanclief, PC, MP
Minister of Agriculture and Agri-Food

Executive Summary of Our Results

In 2001–02, the CFIA continued to deliver programs and services aimed at enhancing the safety of Canada's food system and protecting the health of Canada's plants and animals. The CFIA conducted its regulatory activities in the context of growing and increasingly complex challenges on the domestic and international fronts that are the result of increased emphasis on emergency preparedness and border security. Add to this rising public expectations, increased trade and product diversity, significant technological advances, far-reaching policy initiatives, and a number of emergencies related to food safety and animal and plant health, CFIA employees found themselves in a fast-paced and demanding work environment.

The Agency administers and/or enforces federal statutes that address all stages of the food continuum. The CFIA inspects not only foods, but also the seed, livestock feed, fertilizers, plants, and animals on which a safe food supply depends. As Canada's largest science-based regulatory agency, the CFIA relies on science as the basis of its program design and delivery and as a tool to deal with emerging issues such as biotechnology and the increased threat of bioterrorism. On the international stage, the CFIA provides leadership in the development of a science-based international regulatory framework aimed at providing consumers with safe, high-quality food products. The growing demand for its services has required the CFIA to deploy its resources over an expanding regulatory landscape. The Agency has focussed its efforts on delivering its regulatory mandate and at the same time has responded to a number of emergencies that have required undivided attention. This Annual Report highlights performance information in the following areas:

Food Safety

The CFIA's top priority is food safety. The CFIA shares responsibility for food safety with producers, processors, distributors, retail outlets, and consumers, as well as with other government organizations and jurisdictions. As an agency responsible for enforcement of federal legislation, the CFIA uses data on compliance rates and other quantitative and qualitative information to measure its success in achieving the objectives of the Government of Canada. Overall, high compliance rates for health and safety requirements were achieved in the federally registered fish, fresh and processed fruit and vegetable, meat, dairy, and egg sectors. When products were found to be out of compliance, the CFIA took action, such as seizure or recall, or, when necessary, initiated legal action, such as the imposition of penalties and fines.

The CFIA promoted industry's adoption of science-based food-safety practices. An increasing number of Canadian food establishments have incorporated Hazard Analysis Critical Control Point (HACCP) principles into their operations. CFIA staff carried out inspection activities aimed at improving labelling and consumer information. Work in this area helped protect consumers from improper product grading, unacceptable product quality, and violations of federal packaging and labelling laws.

Animal Health

The CFIA protects Canadian livestock from foreign animal diseases and regulated animal diseases that can occur in Canada. Through the CFIA's detection, control, and eradication activities and its strict import controls, the Agency played a significant role in helping Canada remain *free* of all Office International des Épizooties (OIE) List A diseases, including foot-and-mouth disease, which reached epidemic proportions in other parts of the world last year, most notably in the United Kingdom. In addition, CFIA staff helped Canada remain free of many of the List B diseases that must be reported to the OIE. Internationally there is consensus that bovine spongiform encephalopathy (BSE), commonly known as mad cow disease, is a significant List B disease. BSE has not been detected in Canada since 1993 when a single case was reported in an imported cow. Nevertheless, the CFIA continued to be vigilant with an active and intensified control program.

The Agency's quarantine and disease control efforts continued to work toward eradicating diseases, such as chronic wasting disease, scrapie, and tuberculosis. In support of Canada's agricultural export trade, CFIA staff continued to certify Canadian animals and animal products as meeting importing countries' requirements.

Plant Protection

The CFIA protects Canada's plant resource base from foreign pests and controls the serious pest infestations already present in Canada. CFIA surveillance at international border points confirmed that plants and plant products were in compliance with federal regulations. Within Canada, the Agency worked to control the spread of plant diseases, for example the outbreaks of plum pox virus and a severe infestation of brown spruce longhorn beetle. The CFIA also provided third-party regulatory oversight of the Canadian Seed Institute, and high compliance rates were achieved for pedigreed seed, non-pedigreed seed, and imported seed alike. The CFIA continues to play an important role in regulating the introduction of plants with novel traits as well as to help assure Canadian exporters that shipments of Canadian seed, plant, and forestry products meet foreign country phytosanitary export requirements.

Innovation Through Our People

As the role of the CFIA expanded on both national and international fronts, its workforce also grew to respond to the largely science-based needs of the organization. Maintaining a qualified workforce remained a priority that was addressed through the delivery of progressive training and development programs and targeted succession planning to prepare for the future. Agency partnerships with Canadian universities continued to encourage sharing of research expertise and development of future graduate talent.

The Agency refined its recruitment and retention analysis and focussed its strategy on those occupational groups with critical scientific and technical expertise. In response, strategic national and international recruitment initiatives were undertaken which resulted in attracting the necessary expertise to the organization. The CFIA took steps to foster positive employer-employee relations and good working conditions and continued to promote a diverse and representative workforce.

Conclusion

Despite increasing demands and pressures, the CFIA's achievements continued to be diverse and far-reaching. The sum of the CFIA's work contributed to the quality of life of Canadians, to a safe food supply, and to the health of Canada's animal and plant resources. The CFIA's work also helped to foster Canada's international reputation as having a world class food-safety and quarantine system.

1.0 Agency Overview

1.1 Our Mission

As a key science-based federal regulator of food, animals, and plants, the CFIA is committed to enhancing the safety of food produced, sold or imported into Canada, contributing to the health of animals, and protecting the plant resource base. To meet these commitments, the Agency administers and/or enforces 13 federal acts and their respective regulations.

1.2 What We Do

The CFIA is the Government of Canada's regulator for the following:

Food Safety

Reporting to Parliament through the Minister of Agriculture and Agri-Food, the CFIA delivers all federal inspection and enforcement services related to food. Primarily, this entails verifying that manufacturers, importers, distributors, and producers meet Government of Canada regulations and standards for safety, quality, quantity, composition, handling, identity, processing, packaging, and labelling. The CFIA also meets foreign country requirements where inspection/certification agreements are in place. In carrying out its mandate to administer statutes and regulations related to food, the CFIA works closely with Health Canada, the department responsible for food-safety policy and standards.

Animal Health

The CFIA works to prevent animal diseases, such as foot-and-mouth disease, from entering Canada and to control the spread of animal diseases, such as bovine tuberculosis, within Canada. When disease outbreaks occur, the CFIA acts to eradicate them. To keep the food chain

The CFIA's Legislative Authority

- Agriculture and Agri-Food Administrative Monetary Penalties Act
- Canada Agricultural Products Act
- Canadian Food Inspection Agency Act
- Consumer Packaging and Labelling Act*
- Feeds Act
- Fertilizers Act
- Fish Inspection Act
- Food and Drugs Act*
- Health of Animals Act
- Meat Inspection Act
- Plant Breeders' Rights Act
- Plant Protection Act
- Seeds Act

** as it relates to food*

secure, the CFIA regulates veterinary biologics (which can include vaccines, bacterium, bacterin-toxoids, immunoglobulin products, diagnostics kits, and veterinary biologics derived through biotechnology) and animal feeds. The Agency also conducts regular animal disease surveillance programs that have been designed to head off serious threats to livestock. In addition, the CFIA certifies the health of Canada's animal exports, evaluates the safety of imports, and regulates the humane transportation of animals.

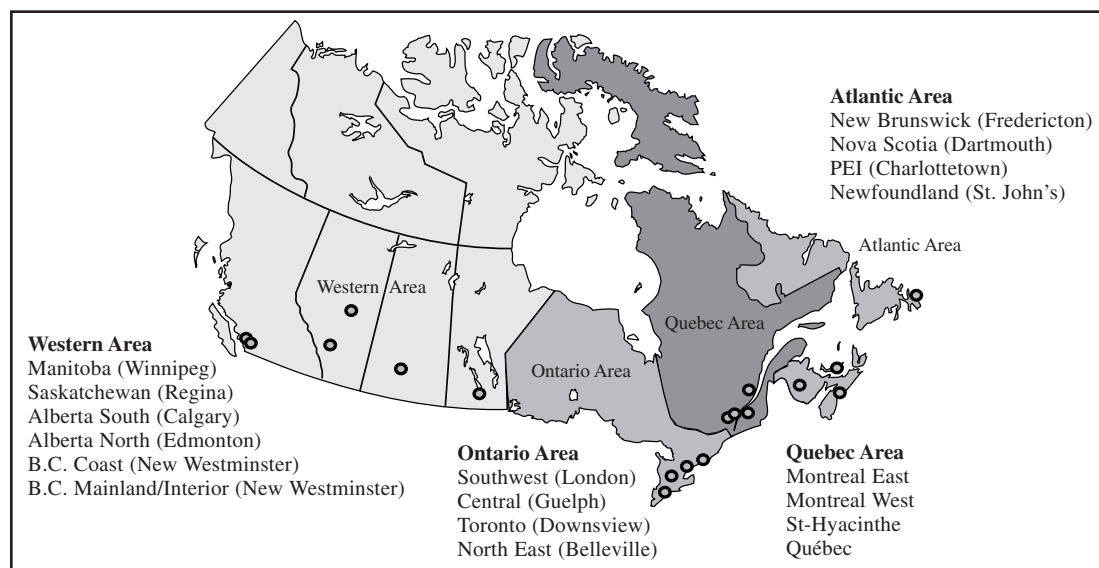
Plant Protection

The CFIA works to prevent foreign plant pests, such as the Asian long-horned beetle, from getting into Canada and to control the spread of quarantine pests, such as plum pox virus, within Canada. The Agency verifies that seeds and fertilizers, both domestically produced and imported, comply with federal standards for safety, product, and process. CFIA plant health officials certify that plants, plant material, and other related matter intended for export from Canada comply with the phytosanitary import requirements of foreign countries. The CFIA also works within various international organizations in support of the international control of plant pests.

1.3 Our Workforce

With its headquarters in the National Capital Region, the CFIA is organized into four operational areas (Atlantic, Quebec, Ontario, and Western) that are subdivided into 18 regional offices, 185 field offices (including border points of entry), and 408 offices in non-government establishments, such as processing facilities. We also have 21 laboratories and research facilities that provide scientific advice, develop new technologies, provide testing services, and conduct research.

Canadian Food Inspection Agency Area and Regional Offices



The CFIA's workforce is approximately 5467 employees strong. CFIA personnel include highly trained front-line inspectors, veterinarians, agrologists, biologists, chemists, administrative staff, computer system specialists, financial officers, communication experts, research scientists, laboratory technicians, and managers.

1.4 Working Globally an International Regulatory Framework

International food safety and animal and plant health frameworks provide an essential architecture to support the trade of food, animals, and plants. The continued development of a harmonized international regulatory framework, which is both science- and rules-based, benefits Canadians by providing them with safe products from international and domestic markets. Canadian food and agricultural products are in high demand by consumers worldwide. At home, changing consumer expectations result in Canada importing a wide range of products from an ever increasing number of countries.

The CFIA is a leader in responding to these trends on the international front. The Agency invests considerable effort to influence international standard-setting organizations. The CFIA manages a number of product-specific bilateral arrangements and protocols in the areas of food safety and animal and plant health. Also, there are international agreements and institutions related to food safety, animal health, plant protection, the environment, and trade. Together, they comprise the international regulatory framework in which the CFIA operates. Our main objective is to ensure that this framework, as it relates to the CFIA mandate, is strong, coherent, and science-based.

To this end, the CFIA, along with Health Canada, the Department of Foreign Affairs and International Trade, and other government departments, participates in a key list of international organizations that includes the World Health Organization, the Food and Agriculture Organization of the United Nations, the United Nations Environmental Programme, the Office International des Épidémiologies, the International Plant Protection Convention, the Codex Alimentarius Commission, the Organisation for Economic Co-operation and Development, the World Trade Organization, the North American Free Trade Agreement, Asia-Pacific Economic Cooperation, and individual negotiations related to the Cartagena Protocol on Biosafety and the Free Trade Area of the Americas.

2.0 Agency Performance

2.1 Introduction

In September 2000, the Treasury Board approved the CFIA's Planning, Reporting, and Accountability Structure (PRAS), which outlines the Agency's business line structure. The business lines represent an important step for the CFIA in enhancing its performance management and reporting practices. However, notwithstanding this important step forward, the Agency's progress in this area has been limited by the lack of a national and an international model on measuring and reporting the performance of regulatory programming. Yet, the Agency remains committed to the enhancement of performance reporting. Additional performance information can be seen at: www.inspection.gc.ca

Protecting the safety of the food system involves much more than inspecting food products and the premises where they are produced. The food system extends from inputs, such as seed and fertilizer, through crops and livestock, to the food products that fill our shopping carts. The CFIA is mandated to regulate several stages of this food continuum with an increasing number of new and diverse inputs and products from around the world.

The Agency's activities in the areas of animal health and plant protection provide essential services to Canadians. The potential for damage by diseases or pests to Canada's forests, crops, livestock, and fish is always present. Failure to safeguard these resources could have serious consequences for Canadian consumers and producers, the economy as a whole and, in some cases, the health of the Canadian public. The magnitude and importance of these responsibilities mean that the CFIA must be ever vigilant and ready to respond to present or future emergencies.

However, it must be noted that the primary responsibility for meeting federal standards and requirements rests with producers, processors, and suppliers. While it is the CFIA's responsibility to inspect and enforce full compliance with federal acts and regulations, the Agency works in close co-operation with these groups to take preventative measures to reduce food safety risks.

This section of the report is organized along the three business lines:

- Food Safety
- Animal Health
- Plant Protection

The CFIA has three **strategic outcomes** — one for each of the three business lines. Results are reported under each strategic outcome with an explanation of the impact on Canadians and the CFIA's role, along with key partners in achieving strategic outcomes, risks and challenges, key performance information, and any ongoing initiatives. The following chart summarizes the reporting framework within this report.

Strategic Outcomes	Strategy Focus
Food Safety Business Line <i>Safe food and fair labelling practices.</i>	1.1 Monitor industry compliance with federal acts, regulations and standards. 1.2 Encourage industry adoption of science-based, risk-management practices. 1.3 Contain food safety emergencies/incidents in a timely and appropriate manner. 1.4 Meet other governments' science-based food safety requirements and contribute to the development of jointly agreed upon operational methods and procedures. 1.5 Deter deceptive practices.
Animal Health Business Line <i>Protection of the animal health resource base as the foundation for animal health and public security.</i>	2.1 Control the entry and domestic spread of regulated animal diseases. 2.2 Control animal diseases that are transmissible to humans. 2.3 Meet other governments' science-based animal health requirements and contribute to the development of jointly agreed upon operational methods and procedures. 2.4 Monitor compliance of livestock feeds with federal acts, regulations and standards.
Plant Protection Business Line <i>Protection of the plant resource base and regulation of inputs.</i>	3.1 Control the entry and domestic spread of regulated plant diseases and pests. 3.2 Meet other governments' requirements and contribute to the development of jointly agreed upon work plans and certification methods and procedures. 3.3 Maintain effective plant input programs that are consistent with emerging international trends and new technologies, with high standards for safety, product and process.

2.2 Food Safety

Strategic Outcome: Safe Food and Fair Labelling Practices

The CFIA's foremost responsibility is to enhance the safety of Canada's food and to protect the health of Canadian consumers. Enhanced food safety promotes Canadians' health and prevents food-borne illness, thereby saving workers and their employers millions of dollars each year. Health Canada estimates that there are 2.2 million cases of food-borne illness annually, costing workers more than \$1.3 billion in direct medical costs and lost wages.

Canada's food industry contributes approximately \$45 billion annually to the Canadian economy. As the federal regulator, the CFIA is responsible for monitoring compliance with federal legislation by businesses engaged in the production and distribution of federally regulated food products. The CFIA and industry's activities maintain and strengthen Canada's excellent national and international reputation for safe, quality products.

CFIA Role—The Agency's role is clear. As the federal regulator, the CFIA is responsible for monitoring compliance with federal legislation by those businesses engaged in the production and distribution of federally regulated food and food products. The CFIA accomplishes this objective through a number of means: it works with industry to build better science-based management practices, inspects and tests to assess compliance with acts and regulations, and takes enforcement actions to achieve compliance, including seizing, removing and recalling products or, when necessary, resorting to legal action including levying administrative penalties and prosecution. The Agency is committed to reducing the risk of food-borne illness and providing Canadians with access to safe food. Our goal is to promote 100% compliance to all federal acts and regulations.

Food products are governed by five acts, namely, the *Meat Inspection Act* for meat and poultry, the *Fish Inspection Act* for fish and seafood, and the *Canada Agricultural Products Act* for eggs, dairy products, honey, fresh fruit and vegetables, and processed products. The *Food and Drugs Act* and the *Consumer Protection and Labeling Act* are overarching acts that apply to all food. To enhance the safety of Canada's food as well as to protect consumers, the CFIA:

- Monitors industry compliance with federal acts, regulations, and standards.
- Encourages industry adoption of science-based, risk-management practices.
- Meets other governments' science-based food safety requirements and contributes to the development of jointly agreed upon operational methods and procedures.
- Contains food safety emergencies/incidents in a timely and appropriate manner.
- Deters deceptive practices.

Key Partners—The CFIA works with others in its work related to safe food and fair labelling practices. Our key partners include:

Other federal departments and agencies: At the federal level, Health Canada and the CFIA share unique and complementary roles and responsibilities. Health Canada is responsible for food safety policies, standards and regulations while the CFIA is responsible for all food inspection and compliance activities as well as the development of regulations and policies related to compositional standards and labelling for food.

Provincial governments: The CFIA partners with provincial and territorial governments to share expertise and co-ordinate activities to facilitate compliance with both federal and provincial regulation and the delivery of emergency response services (e.g. food recall).

Non-government stakeholders: The Agency works with industry and consumer associations as well as individual processors to identify and address emerging food safety and labelling concerns.

International organizations and trading partners: The Agency negotiates and manages product-specific technical arrangements with other countries with a view to seeing that food safety standards are science-based and effectively adhered to in a manner that leads to safe food and avoids unnecessarily disrupting trade. The negotiation of these technical arrangements is done in partnership with our federal partners. In addition to this network of bilateral agreements, the CFIA, with Health Canada and others, promotes and develops science-based international food safety standards within the CODEX Alimentarius Commission, part of the United Nations' World Health Organization (WHO) and the Food and Agriculture Organization (FAO). The CFIA, with the support of other federal partners, also represents Canada at the WTO and NAFTA committees on the application of sanitary and phytosanitary measures.

Challenges and Risks—New and emerging food safety hazards are an ever-present challenge. The CFIA must maintain, and where necessary, develop sufficient scientifically based programs to identify, prevent, and control these hazards. New technologies in food production, processing, and marketing also present potential safety issues that must be assessed and managed appropriately. Existing inspection programs must continue to evolve to take into account new technologies, emerging hazards and industry initiatives, including Hazard Analysis Critical Control Point (HACCP) approaches. The volume and diversity of food imports continue to increase. This places challenges on the CFIA in monitoring and assessing the compliance of these foods with federal food safety and labelling legislation.

These challenges include acquiring knowledge of the food safety status of other countries and assessing the adequacy of the food safety controls of exporters and importers. At the same time, increasing pressures are being placed on the Canadian food regulators and the Canadian food industry to respond to the information and assessment needs of foreign governments. Globalization places challenges on the CFIA's regulatory activities, which

are in part addressed through effective participation in international standard-setting organizations. Risks associated with the recent terrorist attacks in the U.S. challenge the CFIA to work with its Canadian partners and other national governments to strengthen food security to prevent or respond rapidly and effectively to threats to the safety and security of the food supply.

Understanding and addressing consumer concerns and perceptions about food safety, quality, and labelling continues to present challenges for the CFIA and places increasing importance on ensuring transparency and improved dialogue with stakeholders. New methods of production also produce challenges with respect to establishing enhanced regulatory programs and enforcing fair labelling practices.

The new regulatory requirements being introduced by Health Canada, including nutritional labelling, health claims, nutrient content claims, and food irradiation will require enforcement and compliance activities once implemented. The CFIA continues to be challenged to verify and enforce compliance by the Canadian food industry with new and existing federal acts and regulations and to address specific problem areas of non-compliance.

Business Line Resource Inputs, 2001–02

Total Expenditures (million)	\$296.3
Respendable User-Fee Revenues (million)	\$36.5
Human Resources (FTE)	3244
* FTEs = Full Time Equivalents	

* FTEs are a calculated number based on full staffing for the year. Staff who worked part time, or worked for a portion of the year are included in the calculation formula. The total number of full time and part time employees as of March 31, 2002, was 5467 for the entire Agency.

Accomplishments

Strategy Focus:

- Monitor industry compliance with federal acts, regulations, and standards.
- Encourage industry adoption of science-based, risk-management practices.
- Meet other governments' science-based food safety requirements and contribute to the development of jointly agreed upon operational methods and procedures.

Fish and Seafood

Sector—On average, Canadians consume approximately 7.7 kg of fish and 2.3 kg of shellfish every year. In 2001, Canada landed approximately 974 000¹ tonnes of fish destined for the domestic and export markets and exported in excess of 547 000 tonnes of fish valued at approximately \$4.2 billion to more than 90 countries. The U.S. remains Canada's largest export customer with exports to that country reaching \$3.1 billion. During this same period, Canada imported approximately 574 000 tonnes of fish worth more than \$2 billion.

CFIA Role—Under the mandate of the *Fish Inspection Act*, the CFIA enforces the *Fish Inspection Regulations* and sets the policies, standards, and inspection requirements for fish products, federally registered fish and seafood processing establishments, importers, fishing vessels, fisher-packer facilities, and equipment used for handling, transporting, and storing fish. The CFIA enforces compliance with these standards, which in turn contributes to the supply of safe, quality fish and fish products for Canadians and for international trade.

The regulations require that all establishments in Canada processing fish and seafood for export or interprovincial trade must be registered with the CFIA. As a condition of this registration, the CFIA requires that all establishments develop and implement a Quality Management Program (QMP).

The QMP describes in writing the establishment's system of standards, controls, monitoring procedures, record-keeping, and corrective action systems. It is designed to produce fish and seafood products that are safe, wholesome, and properly labelled. The QMP must include a formal hazard analysis of the product and processes, and identify the controls in place. These activities are in accordance with the internationally recognized principles of HACCP.

¹ Fisheries and Oceans Canada and Statistics Canada

Performance—With the Canadian seafood industry's adoption of HACCP Programs, the CFIA has changed its approach from traditional inspection practices to audits of industry's compliance capabilities. For domestic fish processors, all 992 federally registered fish processing plants in Canada have developed and implemented a QMP. Prior to implementation, fish inspection personnel conduct a systems verification, the initial comprehensive desk audit on the written QMP plan. For last year, 98 of these audits were conducted. Fish processing establishments must maintain their QMP in order to retain their certificate of registration and to remain compliant. The CFIA conducted 640 compliance verifications to assess the implementation of QMP at operating registered establishments. Where problems were identified, industry modified its controls and procedures to meet CFIA standards. When industry was unwilling or unable to meet regulatory requirements, the CFIA issued 86 written warnings, conducted 23 prosecutions, suspended 6 registration certificates (and further revoked 2), detained 225 non-compliant product lots, and seized 2 product lots.

The Canadian Shellfish Sanitation Program (CSSP) is a tripartite program run jointly by Environment Canada (EC), Fisheries and Oceans Canada (FOC), and the CFIA. The CFIA regulates the import, export, processing, packaging, labelling, shipping, certification, storage, and re-packing of shellfish to protect quality and to maintain source and lot identity and integrity.

In calendar year 2001, more than 18 000 tests were conducted for marine biotoxins in shellfish in accordance with the National Risk-Based Monitoring Plan. The CFIA made 98 recommendations for closing harvesting areas, based on marine toxin levels, plus 26 additional closure recommendations for sanitary reasons, such as unacceptable faecal coliform bacteria levels.

The CFIA has recognized the shellfish programs of New Zealand, the U.S., Japan, France, and Korea as having appropriate controls for product safety in order to meet Canadian requirements. The inspection frequency for imported molluscan shellfish from these countries in 2001 was approximately 0.8% (52 of the 6375 lots). Of the lots inspected, the rejection rate was 5.75% (3 of the 52 lots inspected failed). These failures resulted from non-compliance with biotoxin and microbiology standards. Overall inspection effort is directed at processors that have demonstrated a history of poor compliance with Canadian standards.

The import sector is also applying science-based, risk-management practices with the adoption of the voluntary Quality Management Program for Importers (QMPi). In Canada, 16 QMPi importers handle approximately 30% of Canada's imported canned fish and seafood product. During fiscal year 2001–02, there were 10 audits conducted on the QMPi importers. Of the non-conformities identified, the most common were related to licensing and notification. None of the non-conformities had a direct link to the safety of the imported product. In all but one instance, where the QMPi licence was revoked for non-compliance with program requirements, corrective action plans were prepared.

For the balance of the import sector, there were 944² importers licensed to import fish and seafood, and they were required to identify every lot brought into Canada.

Last year, of the 474 recalls issued, 23 (4.9%) were issued for fish and seafood products; 16 of these were from federally registered establishments. The main cause for recalls was microbiological pathogens. Despite this, the overall safety of both domestic and imported fish and seafood remains high. Products destined for export also met other governments' requirements.

Initiatives—The CFIA is updating the Fish Inspection Program through a review of the Import Program requirements in terms of food safety, a review of the Fish Inspection Regulations, including the development of genetically modified fish/aquaculture policies, and a review of the Export Certification policy and procedures. In addition, a contaminants/drug residue monitoring program is being developed.

Egg

Sector—In 2001, Canadians consumed 16 dozen eggs per capita, in the form of shell eggs or as ingredients in other food products. This amount has been increasing steadily since 1995, when the figure was 14.4 dozen.

CFIA Role—The CFIA enforces the *Canada Agricultural Products Act* so that egg and egg products leaving federally registered establishments for domestic or export trade are safe, wholesome, and graded according to federal standards. The Agency also regulates packaging and labelling.

Performance—All establishments applying a Canada grade name to shell eggs must be federally registered. In 2001, CFIA inspectors conducted 1501 inspections in 351 registered grading facilities, monitoring sanitation and employee food-handling practices. Environmental tests were also carried out in these establishments to check for the presence of salmonella. In 2001, 538 samplings were conducted with a compliance rate of 94.4%. When a positive test is received, the plant must be cleaned thoroughly. A follow-up sampling is conducted to verify the effectiveness of the plant's sanitation procedures.

The CFIA inspects not only establishments, but eggs and egg products. For shell eggs, 3675 lots were monitored. The rate for grade compliance³ for domestic shell eggs dropped slightly to 95.6% this year from 97% last year. The main reasons for product rejection were health and safety (dirty or cracked shells) and fraud (underweight product). Non-compliant product was either re-graded, sent for processing and pasteurization, or discarded, as appropriate.

² As of the end of March 2002 (Client Management System data)

³ The rates may actually be slightly lower, as warnings may be issued and product deviations corrected without a violation being recorded.

Eggs are processed into liquid, frozen, dried, or cooked egg products in 19 federally registered establishments. A total of 85 million kilograms of processed egg was produced in Canada last year, and 6.26 million kilograms of this were monitored (498 samples were analyzed) with a compliance rate of 98.5%.

Foreign countries wishing to export shell eggs or egg products to Canada must have equivalent processing controls and a national inspection system. Product is monitored for compliance upon arrival in Canada. There were 11.1 million dozen eggs imported for the processing industry and another 7.9 million dozen for the table market. There were 8.1 million kg of processed egg imported, 81% of which was for further processing at Canadian egg processing facilities. CFIA inspectors, through regular compliance monitoring, found a compliance rate of 97% for imported shell eggs, down slightly from 99.3% the previous year. CFIA inspectors also certified 11.6 million kg of processed egg for export to 24 countries, valued at an estimated \$28 million. Compliance rate for exported products was 99.8%.

Last year, no recalls were issued for shell eggs and egg products from federally registered plants. The overall safety of domestic and imported eggs and egg products remains high. Products destined for export also met other governments' requirements. (See figures 2.2.1 and 2.2.2.) CFIA inspectors responded to approximately 110 complaints for shell eggs or egg products, relating to issues such as the illegal marketing of ungraded eggs, the use of unapproved claims, or other labelling issues.

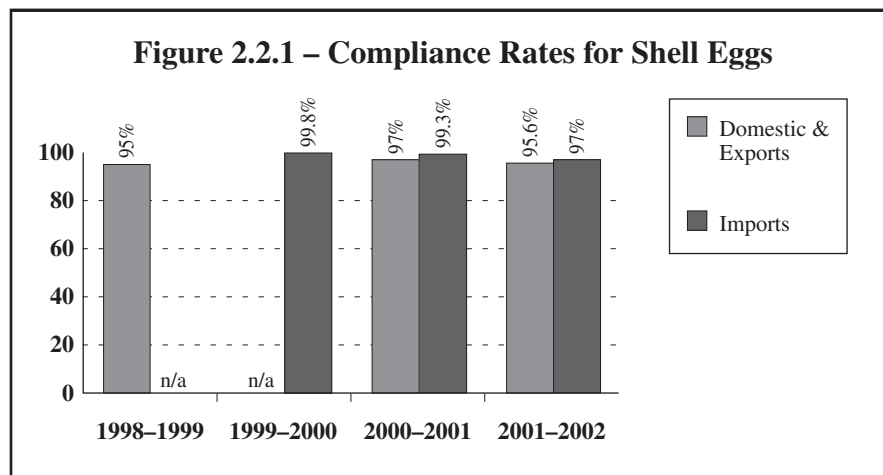
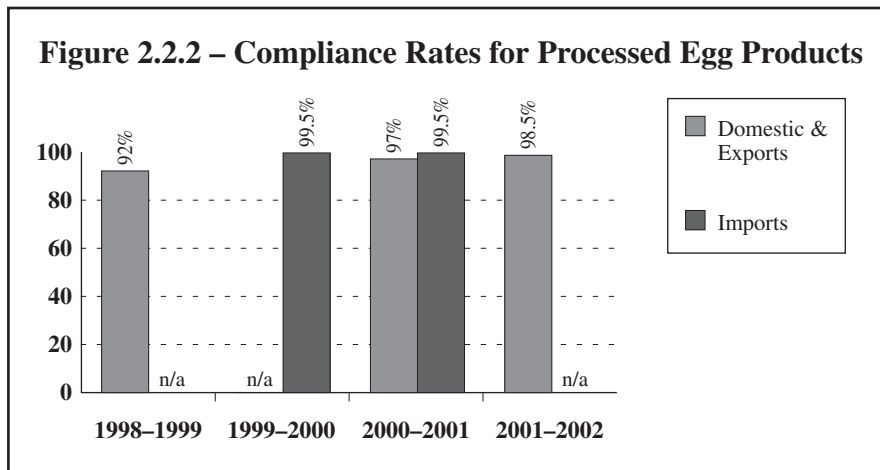


Figure 2.2.2 – Compliance Rates for Processed Egg Products

The monitoring level for shell eggs labelled with nutritional claims has increased to meet the rising number of these products entering the market, as well as to address shortfalls in product claims. Non-compliant test results lead to follow-up investigations, which may require the claim to be removed from the carton label. The Agency will actively monitor this market segment to increase compliance.

Consultations with industry will begin in 2002 to gauge readiness for mandating the Food Safety Enhancement Program (FSEP) in processed egg products and shell eggs.

Dairy Program

Sector—Canadians consume, on average, 100 L of milk and 17 kg of dairy products per person per year. Canada produced 76.1 million hL of raw milk, which was used to produce 1.2 million tonnes of dairy products. Last year, Canada imported 160 million kg and exported 182 million kg of dairy products.

CFIA Role—The CFIA enforces the *Canada Agricultural Products Act* so that dairy products leaving federally registered establishments for domestic or export trade are safe, wholesome, and graded according to federal standards. These activities are done primarily at registered dairy establishments and importers' facilities. There are 35 front-line inspectors conducting plant and product inspections at 279 federally registered establishments and 87 importer facilities.

Performance—There were 196 in-depth plant inspections and 1018 Good Manufacturing Practice inspections at dairy establishments; compliance in these plants was 93%. If a plant was found to have critical health and safety deficiencies, they were corrected immediately or the implicated product was detained or recalled.

In addition to plant inspections, 3371 inspections were carried out on domestic products, including 756 label verifications, 449 net quantity verifications, 369 ingredient verifications, 143 non-food chemical evaluations, 13 container integrity verifications, and 98 grade verifications. In addition, 1543 samples were collected for microbiological, composition, and chemical residual testing to determine compliance with safety, quality, and marketplace fairness requirements. The compliance rate for domestic dairy products was 94% for health, safety, and composition standards; 77% for label verification; and 92% for net quantity analysis. The overall compliance of domestic dairy products has remained about the same for the past two years.

There were 1314 inspections carried out on imported products, including 287 label verifications, 27 net quantity verifications, and 13 grade verifications. In addition, 986 samples were collected for microbiological, composition, and chemical residual testing to determine compliance with safety, quality, and marketplace fairness requirements. The compliance rate for imported products was 90% for health, safety, and composition standards; 62% for label verification; and 85% for net quantity. The overall compliance rate for imported product inspection was slightly lower than last year. The Agency is placing more emphasis on selecting imports with a history of non-compliance. The import program is under review and there will be greater emphasis on dairy imports for 2002–03.

More than 4700 export documents were issued for dairy products exported to more than 65 countries. There were 198 export monitoring inspections at prescribed frequency to review and verify the accuracy of shipments, and 133 samples were collected for microbiological composition and chemical residual testing to determine compliance with Canadian and/or other government requirements. The compliance rate for exported products was very high (94%). Where problems were found, corrective action was taken. As a result, none of the 4747 shipments was denied entry into foreign markets.

Last year, of 474 recalls issued, 17 (3.6%) were for dairy products. Of these, 14 were from federally registered establishments. The main reason for the recalls was microbiological pathogens. The CFIA also issued 27 notices of detentions on domestic dairy products and 23 on imports. Nonetheless, the overall health, safety, and composition of domestic and imported dairy products remains high. Products destined for export also met other governments' requirements. (See figures 2.2.3 and 2.2.4.)

Initiatives—To reflect changes in inspection needs and to provide instruction to CFIA inspection staff, both the Dairy Plant Inspection Manual and the Dairy Product Inspection Manual are being revised and updated to provide a more comprehensive and current approach to inspection techniques and policy.

Figure 2.2.3 – Compliance Rates for Dairy Products (Domestic)

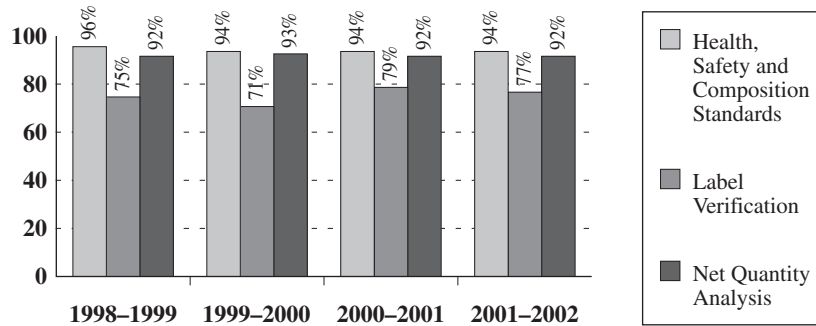
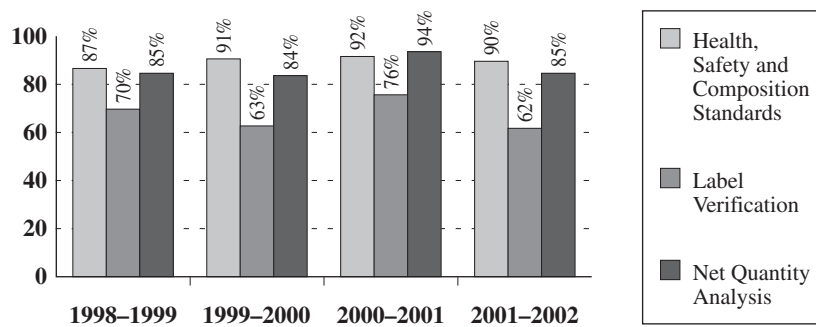


Figure 2.2.4 – Compliance Rates for Dairy Products (Imports)



Honey

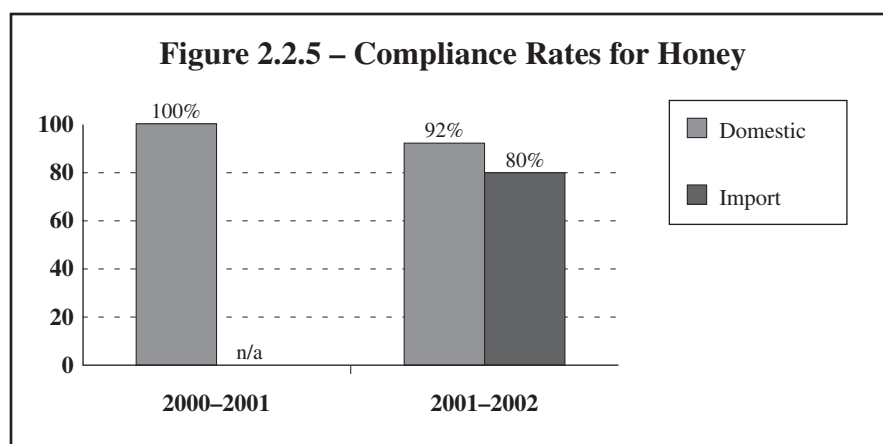
Sector—Honey is used as an ingredient in a wide variety of bakery goods, sauces, and dips. In Canada, honey consumption has remained relatively constant at about 1 kg per capita during the past decade. In 2000, approximately 10 000 Canadian beekeepers were responsible for producing 31 461 tonnes of honey.

CFIA Role—The CFIA enforces the *Canada Agricultural Products Act* so that honey products leaving federally registered establishments or being imported into Canada are safe, wholesome, labelled to avoid misleading consumers, and eligible to be traded inter-provincially or internationally.

Performance—There are 200 federally registered honey producing facilities in Canada, and 198 establishment inspections were carried out last year, with a compliance rate of 99%. In all, 49 tests were conducted for adulteration with foreign sugars. The compliance rates for adulteration analysis for foreign sugars on domestically produced honey was 92%. Follow-up action was initiated on non-compliant product, including removing non-compliant domestic product from the market. This year's slight decrease over last year when compliance was 100% is due to a more vigilant sampling process.

Canada imported 2824 tonnes of honey, mainly from China, the U.S., and Argentina. Product inspections were carried out on imported honey from approximately 31 countries; 60 tests were conducted for adulteration with foreign sugars. The compliance rates for adulteration analysis for foreign sugars on imported honey was 80%. Non-compliant imported products were removed from the country.

Last year there was one recall from a federally registered honey establishment; this was due to drug residues in the product, and the honey was removed from the market. The overall safety of domestic honey products has declined over the last year. (See figure 2.2.5.)



Initiatives—In order to improve the compliance rate for imported honey, the CFIA has implemented new import procedures. All honey imports must now be referred to a CFIA Import Service Centre by the Canada Customs and Revenue Agency in order to be cleared for entry into the country. Product from countries identified as non-compliant through monitoring sampling will be subjected to a hold and test procedure and must be shown to meet Canadian standards before being released.

The Agency's new import policy is designed to encourage all foreign countries that ship honey to Canada to certify that their product is free of all drug residues and other adulterants. Importers are being encouraged to take an active role in ensuring that all imported honey products meet Canadian standards prior to importation.

Over the next year, the CFIA will undertake a complete review of the *Honey Regulations* in order to keep pace with industry trends and strengthen implementation of regulations.

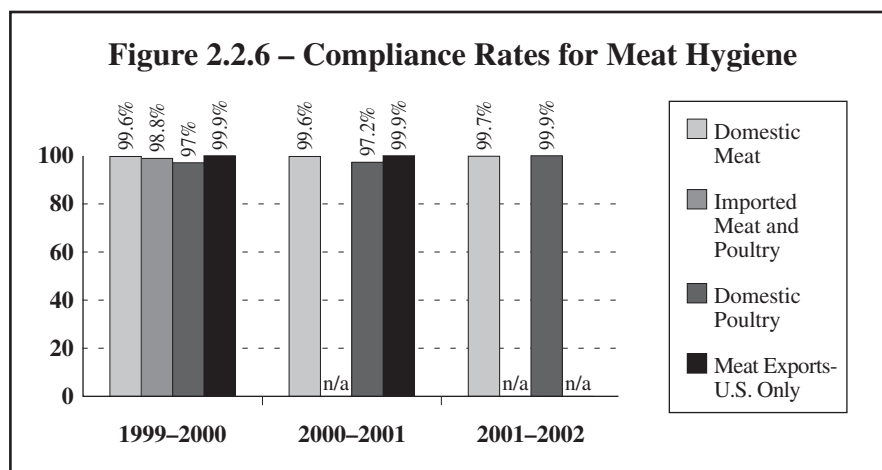
Meat Hygiene

Sector—Last year, Canadians produced beef, pork, poultry, and other meats valued at an estimated \$14 billion. On average, Canadians consume 23 kg of beef, 33 kg of poultry, and 22 kg of pork per capita, per year. In total, 2.4 million tonnes of meat were consumed domestically and 1.6 million tonnes were exported to 116 different countries.

CFIA Role—The CFIA enforces the *Meat Inspection Act* so that meat products leaving federally inspected establishments for domestic and export trade or being imported into Canada are safe and wholesome. To certify compliance with federal acts and regulations, approximately 1120 front-line inspectors and 260 veterinarians were conducting inspections in almost 800 federally registered slaughterhouses, meat processing establishments, and storage facilities last year. In order to be federally registered, establishments must be in compliance with regulatory provisions in several federal acts.

Our staff inspect not only establishments, but animals awaiting slaughter and carcasses after slaughter. More than 660 million animals were slaughtered in 2001. This represents more than a 20% increase in volume over the last five years. Live animals that looked suspect were segregated for further examination by a CFIA veterinarian to determine if they were fit for slaughter.

Performance—Approximately 73 000 food samples were collected and tested for chemical, microbiological, and physical hazards. The rate of compliance was very high. For example, for domestic red meat and poultry, the compliance rates for chemical residue tests were 99.7% and 99.9% respectively. (See figure 2.2.6.)



Last year, approximately 468 000 tonnes of meat were imported from 18 countries. Inspections are taking place, but computer system limitations make information difficult to roll up. The compliance rates for imported red meat and poultry are not available for 2001–02 or 2000–01. For 1999–2000, the compliance rate was 98.8%.

At the time of export, a number of foreign countries require the CFIA to certify that the exported product meets their requirements. Last year, there were 1.6 million tonnes of meat exported, a net increase of 31% compared to 1998 (1.1 million tonnes in 1998). Canadian meat and meat products are exported to more than 116 countries around the world and 99.9% of the product has been accepted by countries of destination.

Last year, of 474 recalls, 44 (9.3%) were issued for meat products; of these, 35 were from federally registered establishments. The main cause for recalls was the presence of microbiological pathogens.

HACCP science-based, risk-management principles are increasingly being recognized internationally as an excellent way to minimize food safety risks. In the meat and poultry industries, HACCP is currently voluntary; however, the CFIA is moving towards making HACCP mandatory through regulatory amendment. The CFIA has been a world leader amongst regulatory bodies (governments) in recognizing and auditing HACCP systems. In the meat sector, 513 out of 793 registered establishments are in the process of being recognized by the CFIA, and 333 of these have completed the recognition process.

In the poultry sector, the Modernized Poultry Inspection Program (MPIP) has been implemented on a pilot basis in 11 (17%) of the 64 federally registered poultry establishments. This is an increase of three new poultry slaughtering establishments over the previous year. Four of the pilots were successfully completed on April 1, 2002, while three of the remaining eight pilots entered phase three of MPIP implementation during 2000–01. The *Meat Inspection Regulations* were amended on May 23, 2001, to provide the necessary regulatory basis for MPIP implementation. The amendment also mandates for the first time that key information on the health status of animals be forwarded to the slaughterhouse prior to their shipment in order to provide additional information to the establishment operator and the CFIA veterinarian-in-charge. This will provide a valuable link with the on-farm food safety programs being implemented.

The CFIA is awaiting official confirmation from the U.S. Department of Agriculture of their recognition of the equivalence of MPIP.

Ongoing monitoring by CFIA onsite inspectors of the various MPIP pilots continues to demonstrate that industry employees trained and accredited as “defect detectors” are as effective in identifying and removing defective carcasses as CFIA inspectors. Furthermore, microbiological tests indicate that MPIP provides the same level of assurance as traditional inspection methods.

Initiatives—Amendments to the *Meat Inspection Regulations* will enhance the safety level of meat products prepared in registered establishments by requiring the mandatory implementation of the Food Safety Enhancement Program (FSEP). Along with the mandatory FSEP, performance criteria (e.g. *Salmonella* and *E. coli* levels in a product) will be established to measure the effectiveness of industry's food safety process and control programs. The safety level of imported meat products will also be enhanced because the CFIA will require that equivalent HACCP systems be implemented by countries exporting meat products to Canada.

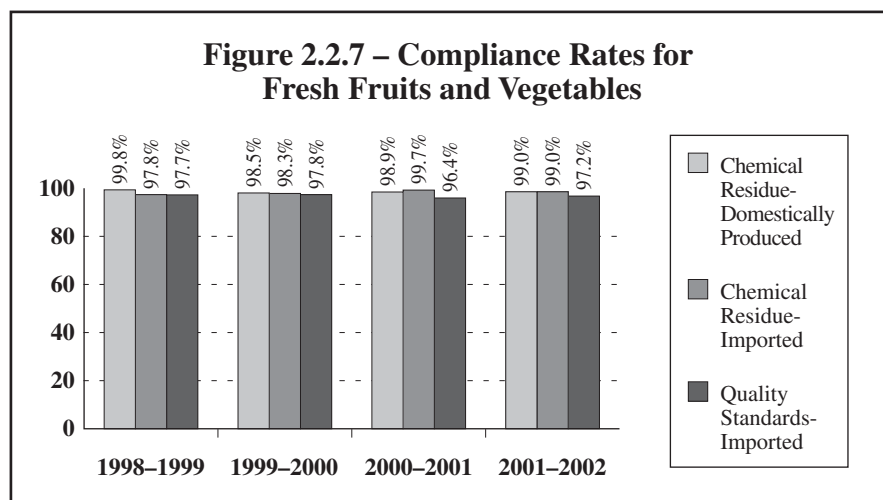
Training was a priority for staff in the Meat Hygiene Program in preparation for the implementation of mandatory FSEP in that program. Training and certification for FSEP is done in three steps. Over 85% of staff have been trained in Steps 1 and 2 of this training program since its implementation, with 250 staff being fully FSEP-certified by the end of the fiscal year.

Fresh Fruit and Vegetables

Sector—Fresh produce is the food that Canadians consume the most. On average, Canadians consume 62 kg of fresh fruit and 142 kg of vegetables per capita. In 2001, Canada produced 6.9 billion kg and imported 3.4 billion kg of fresh fruit and vegetables, and exported 92 million kg of fruit and 640 million kg of vegetables.

CFIA Role—The CFIA, through its inspection and compliance, enforces the *Canada Agricultural Products Act* so that fresh fruit and vegetables leaving 124 federally registered produce warehouses (RPW) are safe and of good quality. This activity is aimed at ensuring that fruits and vegetables for domestic consumption are graded according to federal standards for quality, packaging, and labelling. Of the approximately 1500 audit visits that are required under the program, the CFIA conducted more than 280 monitoring activities in these RPW. Inspectors evaluate establishments according to federal standards, and any infractions of federal standards are brought to the attention of the establishment's operator who is given a date by which the infraction(s) must be corrected. Last year, no registrations were cancelled under this program.

Performance—The CFIA tested domestic and imported fresh fruit and vegetables for agricultural chemical residues. In 2001–02, the CFIA analysed 8792 samples of domestic fresh fruit and vegetables for chemical residues. Of the domestic samples analysed, 99% were in compliance with the Maximum Residue Limits (MRLs) set out in the *Food and Drug Regulations*. Also the CFIA analysed 2904 samples of imported fresh fruit and vegetables for chemical residues. Of the samples analysed, 99% were in compliance with MRLs. In 2000–01, there were 2904 domestic samples and 11 079 import samples taken, with compliance rates of 98.9% and 99.7% respectively. This is consistent with the previous three years when compliance rates remained above 97%. (See figure 2.2.7.)



In 2001-02, the CFIA analysed 208 samples of imported fresh produce for irradiation; 98.1% were in compliance. The samples in violation were mangoes from Brazil. This is an increase from last year when no irradiated samples were found. No domestic samples were collected as there are no commercial facilities in Canada that irradiate fresh produce.

The Agency also performed approximately 15 500 quality inspections on imported produce upon arrival at a Canadian destination. Of these, 436 were detained for a compliance rate of 97.2%. Fresh produce that failed to comply with the regulations was either destroyed, re-exported, re-graded, or re-labelled.

Last year, more than 18 000 exported shipments were certified to meet the importing country's quality requirements. These quality inspections facilitated trade with foreign countries, especially the U.S.

In 2001-02, the CFIA conducted 12 (2.6% of total) recalls involving fresh fruits and vegetables; of these, eight were from federally registered establishments. The primary reason for recall was the presence of allergens (sulphites). Nonetheless, the overall safety of both domestic and imported fresh fruit and vegetables remains high.

Initiatives—The CFIA assisted the Canadian Produce Marketing Association (CPMA) to develop re-packing, transportation, and wholesale food safety guidelines based on HACCP principles. These guidelines are intended to highlight and reduce potential sources of contamination in produce re-packing operations, the shipping industry, and retail food service operations. They are an extension of the On-Farm Food Safety Guidelines.

The CFIA also began developing an electronic inspection application for quality inspections performed at the shipping point and the destination. The application will be included in

the Multi-Commodity Activity Program (MCAP) as a fresh fruit and vegetable inspection module, which is expected to begin deployment in fall 2002. The CFIA is also providing its expertise to the fresh produce industry to develop a global traceability system for the fresh fruit and vegetable industry.

Processed Products

Sector—The sales in Canada of frozen and canned fruits and vegetables, fruit and vegetable juices, canned vegetable soups, pickles, and maple syrup represent a market of more than \$2 billion. These food products account for a significant portion of the Canadian diet.

CFIA Role—The CFIA enforces the safety and quality standards of the *Canada Agricultural Products Act* so that processed products are safe and of good quality. The CFIA is responsible for ensuring that all regulated processed fruits and vegetables and their products, as well as the regulated maple products, meet the applicable Canadian requirements.

Performance—To verify compliance with federal acts, regulations and standards, approximately 50 inspectors made 841 visits to 585 registered establishments; 96.3% of the registered fruit and vegetable processing establishments and 99.1% of the maple sugar bushes inspected were in compliance with applicable regulations.

The CFIA conducted 3348 inspections of processed fruits and vegetables and maple products and collected 1462 samples for chemical residue, microbiological contamination, and product composition analysis. The domestic and imported product compliance rates were high as depicted in the following charts. (See figures 2.2.8 and 2.2.9) The figures have not significantly changed from the previous year. Processed fruits and vegetables and maple products that were found not to comply with federal acts and regulations and standards were either brought into compliance or disposed of in a satisfactory manner. To achieve compliance, inspectors placed 399 shipments/lots of processed products on detention.

The CFIA has worked with industry to facilitate export of Canadian food products and has issued 307 export certificates; 99.7% of lots intended for export that were inspected were found to be in compliance.

The CFIA responded to 4235 enquiries and followed up on 621 complaints pertaining to processed products. Of 175 maple product samples tested, four samples contained paraformaldehyde and were ordered destroyed.

Last year, of 474 recalls issued, 34 (7.2%) were for processed products and, of these, 12 were from federally registered establishments; the majority of recalls were for microbiological pathogens. Nonetheless, the overall safety of both domestic and imported

Figure 2.2.8 – Compliance Rates for Processed Products (Domestic)

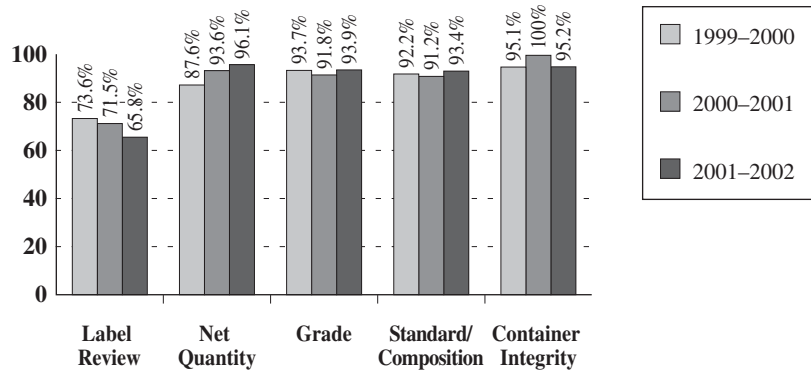
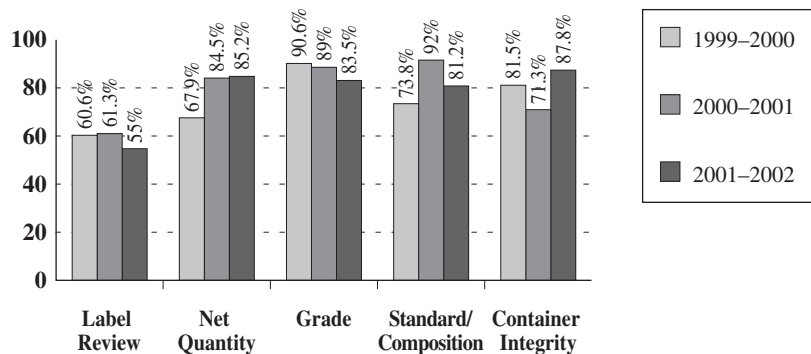


Figure 2.2.9 – Compliance Rates for Processed Products (Imports)



processed products remains high.

Compliance rates for labelling requirements have decreased over the past three years on both domestic products (from 73.6% to 65.8%) and imported shipments (from 60.6% to 55%). (See figures 2.2.8 and 2.2.9.) The CFIA is undertaking a comprehensive review of its labelling policies and delivery activities to improve the labelling compliance rate.

Initiatives—The CFIA is promoting the use of effective science-based risk management practices by helping the food processing industry implement the FSEP.

Food Safety Investigation

In addition to inspecting meat, fish, eggs, fruits, and vegetables that are produced in federally registered establishments, the CFIA enforces the food safety provisions of the *Food and Drugs Act* which includes inspections, investigations, and emergency management activities (i.e. recalls) for all domestically produced and imported foods.

The CFIA investigates consumer and trade complaints, and directs inspection resources toward products and establishments that pose the greatest risk to consumers. Two technical science committees follow a structured process that undertakes an annual environmental scan to identify potential food hazards in the food supply. As part of this process, the Agency then reviews the industry's level of control and identifies the risk management approaches likely to have the greatest impact on improving industry controls. The CFIA annually develops specific projects to manage the identified priorities. The following summary of food safety projects may be viewed in more detail on the CFIA Web site.

Olive Pomace Oil—In the fall of 2001, the CFIA recalled certain olive pomace oil brands from the Canadian marketplace due to the presence of polycyclic aromatic hydrocarbons, some of which are carcinogenic. Following the recall, the Agency developed a surveillance project for import compliance. The project is ongoing, and in the past year the CFIA found one incidence of non-compliance and the product was recalled.

Bottled Water—Last year, the CFIA conducted a retail survey to determine the safety of bottled waters offered for sale in Canada; a sample of 60 products were analyzed for specific bacteria. The overall results indicated that there were no health risks related to the bottled water samples with the exception of one sample which was unsatisfactory, and a recall was initiated due to the presence of *Pseudomonas aeruginosa* bacteria.

Nutrient Fortification of Infant Formula—During the past year, the CFIA completed assessments of Canadian infant formula manufacturers and importers; all were found to be in compliance. Infant formula samples were also analyzed to determine if nutrient levels were in compliance. Although two samples out of ten were found to be unsatisfactory for high levels of Vitamin A, the levels were not considered a health risk and this problem was resolved with the company involved. All of the samples were found to be satisfactory for copper, iron, vitamin C, and thiamine.

Sprouts—In 1999, the CFIA initiated a nationwide inspection and sampling project to assess the sprout industry's manufacturing practices. Of 55 sprout manufacturers, the Agency visited 34 and took 23 samples; four samples were assessed as unsatisfactory due to high levels of faecal coliforms, and CFIA inspectors took follow-up action.

Strategy Focus: Contain food safety emergencies/incidents in a timely and appropriate manner.

Sector—The CFIA is responsible for issuing food safety recalls under the *Canadian Food Inspection Agency Act*. Most recalls are conducted with the voluntary participation by industry. Canadians can become ill from consuming unsafe food. Risks to consumers include allergens not declared on food labels, unsafe or hazardous levels of microbiological pathogens, extraneous materials, or chemical contaminants.

CFIA Role—The CFIA's role is to protect consumers from such risks. In a time-critical fashion, the Agency conducts food safety investigations and recalls. In food-borne outbreak situations, the Agency works very closely with the provinces and Health Canada in determining the outbreak's source, removing it from the marketplace, and conducting follow-ups to eliminate the cause.

Performance—The CFIA issued 474 recalls in 2001–02. The response standard for issuing public warnings is set at 24 hours between the time a recall decision is made and a public warning is issued. The Agency has met this standard in all but one occasion when the time required to issue a public warning was 26 hours due to the additional time needed to adequately identify the affected product. However, most public warnings were issued within 10 hours of the decision to recall the product.

The 474 recalls were conducted for the following reasons:

• Undeclared Allergen	54%
• Microbiological Contamination	23%
• Chemical Contamination	14%
• Extraneous Material in Food	8%

The CFIA has analyzed statistical data for trends and has found that a significant number of allergen recalls involve many of the same importers. The Agency has initiated an investigation into these repeat offenders and is in the process of taking targeted enforcement action.

Allergens make up 54% of all recalls, and analysis of allergen types shows that undeclared milk, wheat, and peanuts are the major causes. Undeclared milk has been the number one allergen for recalls over the last two years, coinciding with the fact that the methodology for detecting milk protein only became available to the CFIA two years ago.

The Agency also reviews recall trends in various commodity groups. The distribution of recalls across commodities is as follows:

• Processed Products	72%
• Meat and Poultry	9%
• Processed Fruits and Vegetables	7.2%
• Fish and Seafood	4.9%
• Dairy	3.6%
• Fresh Fruits and Vegetables	2.6%
• Honey	0.3%

The number of incidents leading to recalls has been quite consistent for the last three years; however, the number of recalls has more than doubled, which has resulted from thorough follow-ups. One incident may lead to several recalls as in the case of ingredients that are used for the manufacture of other products. Once the CFIA identifies a food safety concern, there is an exhaustive investigation to remove all affected products from the marketplace.

The CFIA conducted more than 18 000 retail effectiveness checks during the calendar year 2001 in order to determine whether recalled products were removed from the marketplace. Assisting the Agency were our provincial partners who conducted thousands more.

Initiatives—Industry compliance for effectively removing recalled product from the marketplace could be improved. Our verification checks for the calendar year 2001 show that 11.4% of the product was found on the retail shelf. The Agency has reviewed the effectiveness of recalls and will expand a best practices project designed to improve retailer compliance in the removal of recalled products from store shelves.

A nation-wide outbreak of food-borne disease linked to a pre-packaged lunch product occurred in the spring of 1998, involving the investigation of more than 800 reported cases across Canada. Most of those affected were young children. It was one of the largest food-borne disease outbreaks in Canadian history. The contaminated product was identified quickly, and its removal from points of sale was initiated immediately after the recall was issued. As a result, the Office of the Auditor General (OAG) audited the management of this food-borne disease outbreak. At the time, the Auditor General found that some important aspects of the response to the outbreak worked well, but others did not. In the Auditor General's September 1999 report⁴, he raised some concerns over the lack of timely

⁴ The Auditor General's report can be viewed at: www.oag-bvg.gc.ca/domino/reports.nsf/html/9915ce.html.

Although CFIA is making progress in addressing the OAG concerns, the status of the implementation of the recommendations contained in Chapter 15 of September 1999 report has not been reviewed by the OAG.

information exchange and confusion regarding the roles and responsibilities of the federal and provincial agencies involved in the outbreak response.

In order to address the Auditor General's concerns, the CFIA implemented changes to its management and operating procedures as they pertained to food emergency response. These included creating the National Office of Food Safety and Recall, updating operating agreements for food emergency response with Health Canada, improving co-ordination of the food emergency response system with the provinces and territories, negotiating a food-borne illness outbreak response protocol with Health Canada and the provinces and territories, and developing a process for post-emergency response review within the CFIA. Collectively, these modifications represented significant progress in strengthening the CFIA's emergency response capability. These improvements have also formalized the CFIA's working relationships with its partners and have resulted in more co-ordinated and rapid responses to food-borne disease outbreaks.

Initiatives—To address the current challenges and to reduce risks to Canadian consumers, the CFIA has developed and tested Agency-based emergency response plans. In addition, the CFIA has participated in inter-governmental exercises and reviews, including with the U.S. Food and Drug Administration. By continuing to develop with stakeholders risk-management practices and tight linkages to consumer associations, the Agency strives to prevent emergency incidents.

Strategy Focus: Deter deceptive practices.

Sector—The CFIA's work in regulating the net quantity, composition, labelling, and advertising of food products is important to Canadians as it protects consumers from deceptive and misleading practices, and facilitates fair competition for industry. The CFIA contributes to the compliance of foods⁵ produced or imported by establishments that are not federally registered, and foods that are manufactured or packaged and labelled at retail. These food products account for approximately 34.6% of Canadian consumers' food expenditures (excluding restaurants).

CFIA Role—The Agency's role is to protect Canadians from unfair market practices by enforcing the fraud and labelling provisions of the *Food and Drug Regulations* and the *Consumer Packaging and Labelling Regulations*, and by enforcing these in relation to both imported and domestically produced food products at the manufacturing, import, and retail levels of trade. The CFIA targets high-risk products and establishments, inspects and analyzes food products, and assesses industry control systems.

⁵ Breads, pasta, cereals, sauces, salad dressings, condiments, sugar, chocolate, candy, coffee, tea, margarine, cooking oil, frozen dinners and desserts, seasonings, potato chips, puddings, soft drinks, etc.

Performance—During 2001–02, the CFIA undertook a number of initiatives to protect consumers from unfair market practices by setting and enforcing standards related to accurate product information appearing on both domestic and imported food products. CFIA inspectors continued to target high-risk products and establishments. The following are examples of projects undertaken by the CFIA.

Sports Nutrition—Sports nutrition products include food in the form of powders, bars, and beverages, which are designed to supplement the diet so as to achieve improved performance, such as muscle building. Last year, the CFIA tested 191 samples for composition and found a compliance rate of 5.8%, and 226 samples for label verification with a compliance rate of 4.4%. The strategy for 2002–03 includes inspections at all trade levels and a communication to retailers outlining CFIA concerns, along with guidance for the establishment of quality control procedures.

Ground Beef Adulteration—Ground beef constitutes approximately 35% of all beef sales. According to federal regulations, “ground beef” must be composed exclusively of beef. In addition, ground meats that contain foreign species can be a health hazard to allergy sufferers. Ground beef products that contain foreign species are not permitted.

During the past two years, 737 ground beef samples have been analyzed from both independent and chain stores. The rejection rate for these samples is as follows:

Year	# Sampled	# Showing Adulteration*	%
2001–02	530	24	4.5
2000–01	207	43	20.8
* Since sampling at retail is directed toward suspected problems, the above data does not indicate marketplace compliance in general.			

All stores that failed initial testing received a warning letter. Official samples were then taken so that prosecutions could be initiated in the case of continued violations. As a result of these compliance activities, many chain stores have instituted new control procedures and compliance has improved. However, ongoing vigilance is needed, especially in small independent stores in rural areas.

Adulteration of Olive Oil—Adulteration may include the addition of cheaper substitute oils. As it is impossible for consumers to tell which products have been adulterated, CFIA laboratories test samples to detect this illegal practice. The results of this testing over the past eight years is as follows:

Year	# Brands Sampled	# Brands Showing Adulteration*	%
2001–02	44	4	9.1
2000–01	23	0	0
1999–2000	72	4	5.6
1998–99	55	8	14.5
1997–98	66	14	21.2
1996–97	45	9	20
1995–96	44	7	15.9
1994–95	41	15	36.6
* Since sampling is directed toward suspected problems, the above data does not indicate the marketplace compliance in general.			

Once an adulterated product has been identified, the product may be seized and charges laid so that the responsible company can ensure that products meet all Canadian regulatory requirements. The CFIA will continue to analyze samples and prosecute any company that is found to be adulterating olive oil.

Consumer Complaints —During 2001–02, CFIA officers investigated 1539⁶ consumer complaints and responded to more than 15 000 enquiries. They also conducted 1295 product inspections at the manufacturing and import levels of trade and 2283 inspections at retail.

In addition to inspections of systems and food products to verify net quantity, composition, labelling and advertising, 4300 laboratory analyses of nearly 1700 products were conducted to determine composition, possible product adulteration, allergens, and misleading

Santa Maria Foods Corporation

On November 21, 2000, the CFIA launched an investigation and laid charges against Santa Maria Foods Corporation, North America's largest distributor of Italian foods, for tampering with the best before dates on meat, olive oil, pasta, and cheese.

On July 26, 2001, Santa Maria Foods Corporation of Delta, B.C., entered guilty pleas in the B.C. Provincial Court to one count of violating the *Meat Inspection Act* and two counts of violating the *Canada Agricultural Products Act*. The company was fined a total of \$100,000 under the two acts for misusing the federal meat inspection legend on meat products, removing the manufacturer's batch numbers, and changing the best before dates on cheese.

⁶ The increase in the number of consumer and trade complaints received over previous years is mainly a result of the increasing variety and volume of imported food products from an increasing number of foreign countries.

nutrition information or claims. The CFIA also conducted 6417 pre-market label reviews to enforce compliance of product labels before production and distribution.

Enforcement mechanisms included removing 368 violative lots of product from the marketplace, with a number of prosecutions initiated and 32 prosecutions successfully concluded.

Retail Foods—The compliance rates for food produced at retail outlets (e.g. meat, vegetable or deli products packaged in a grocery store) is illustrated (see figure 2.2.10). Although labelling compliance is showing improvement, the compliance rate for food products manufactured or packaged at retail has remained fairly constant over the past three years.

A risk-based approach to inspection is used which targets products and establishments suspected of being in violation. As a result of targeted inspections, a significant percentage of products inspected were found to be in violation. Compliance rates do not, therefore, indicate average marketplace compliance but are used as a measure of program performance.

The number of food products lots examined between 1999–2000 and 2001–02 has declined because of increases in the amount of time required for label reviews, enquiries, inspector training, and food safety emergency investigations.

The main reason, however, for rejecting products manufactured or packaged and labelled at retail was labelling.

Domestically Produced Foods—The compliance rates for food produced at domestic food manufacturing plants (canneries, frozen food manufacturers, etc.) is illustrated (see figure 2.2.11). While the net quantity and composition compliance rates for domestically produced products continue to improve over previous years, the lower compliance rate for labelling is as a result of the increased emphasis during 2001–02 on manufacturers and commodities with lower compliance rates. The compliance rate for advertising is low because inspections are carried out almost exclusively in response to complaints. A compliance project has been implemented for 2002–03 that will direct inspection attention to radio and television stations.

The main reason, however, for rejecting product in domestic manufacturing plants was labelling.

Figure 2.2.10 – Compliance Rates for Food Produced at Retail Outlets

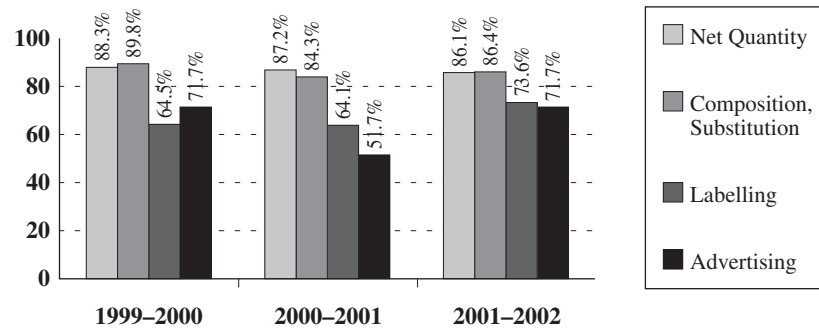


Figure 2.2.11 – Compliance Rates for Food Produced at Domestic Food Manufacturing Plants

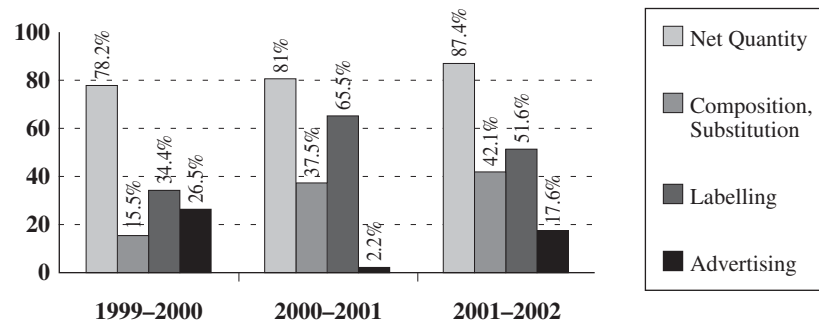
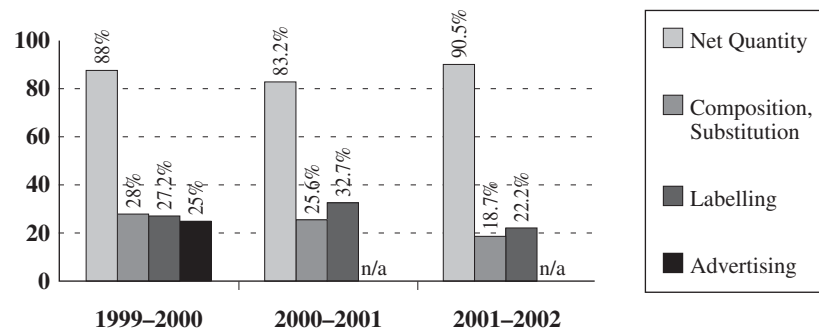


Figure 2.2.12 – Compliance Rates for Imported Food Products



Imported Foods—The composition and labelling compliance rates for imported food products continue to drop (see figure 2.2.12), as a result of a greater variety and volume of food products that are imported from all over the world.

In order to improve the compliance of imported food products the CFIA is:

- encouraging importers to develop control systems that ensure foods they import meet Canadian regulations before being offered for sale;
- developing inspection strategies to focus increased inspection attention during 2002–03 on products with lower compliance rates and on importers responsible for these products; and
- developing trader education materials.

The main reason, however, for rejecting imported food products was labelling.

2.3 Animal Health

Strategic Outcome: Protection of the animal resource base as the foundation for animal health and public security

As a significant part of Canada’s food-manufacturing industry, the animal livestock sector contributes almost half of total farm receipts in Canada. The Canadian farm animal inventory includes a cattle population of approximately 14.6 million head (2.2 million dairy cattle and 12.4 million beef cattle), 12.2 million swine, and almost 1 million sheep. Poultry products are valued at approximately \$1.6 billion.

Protection of this valuable resource is essential for Canadian food production. Animal diseases can threaten the health of Canadians and cause multi-million-dollar losses. The international marketability of our animals and their products and by-products is enhanced by Canada’s reputation for being free from certain serious diseases.

Animal Health Programs

- Animal Health
- Feed

CFIA Role—To protect public security, the CFIA conducts inspections and has monitoring and testing programs in place to prevent and control the spread of zoonotic diseases, which are diseases transmissible from animals to humans.

Protecting the animal resource base begins long before the food animals are marketed. The CFIA carries out programs related to animal health and production to guard against the entry of foreign animal diseases and to prevent the spread of certain domestic animal diseases.

The CFIA also regulates the humane transportation of animals and helps to protect the quality of animal production inputs by regulating animal feeds and veterinary biologics.⁷

The CFIA continued programs to update the technical competence of staff. Major areas for training last year included Foreign Animal Disease (FAD) Preparedness, Humane Transportation of Animals and the Canadian Cattle Identification Program.

Key Partners—The CFIA works with others to protect the animal resource base. Our key partners include:

Other federal departments and agencies: The CFIA works in close collaboration with other federal government partners to share expert advice, develop regulatory policies and set standards, and foster co-operation in research.

Provincial governments: At the provincial level, the CFIA works with the ministries of agriculture, fisheries, and the environment. Activities undertaken with these partners mirror those undertaken with federal departments and agencies.

Non-government stakeholders: The CFIA works in partnership with national agri-food producers and others in the review, development, and implementation of animal health policies and programs. A key mechanism for this work is the Canadian Animal Health Consultative Committee (CAHCC). The Agency also works with commodity associations and a number of other non-commodity specific associations, including those representing animal welfare and environmental interests.

Research institutions: The CFIA collaborates with Canada's veterinary academic institutions to identify strategic directions in scientific research and to develop a national curriculum that reflects current and future needs in science and veterinary regulatory medicine.

International organizations and trading partners: The CFIA works with a number of international organizations and committees in an effort to influence the development of international science-based animal health regulation, to collaborate on the development of regulatory policy objectives and strategies, and to discuss common concerns. Key committees and organizations include: the Animal Health Quadrilateral Group (Canada, the U.S., New Zealand, and Australia); North American Animal Health Committee (Canada, U.S. and Mexico), the Office International des Épizooties (OIE) and its special commissions, and the WTO and NAFTA committees on the application of sanitary and phytosanitary measures. The CFIA also works on a bilateral basis with other national governments on issues related to animal health standards and requirements.

⁷ Veterinary biologics include vaccines, diagnostic kits, and immunoglobulin products for use in domestic livestock, poultry, companion animals, and fish.

Challenges and Risks—Global spread of animal diseases (some with the potential to affect human health) and a number of emerging pathogens pose an increasing threat of introduction to Canada. The need to enhance emergency preparedness as well as biosecurity measures has been underscored by incidents in recent years related to outbreaks of bovine spongiform encephalopathy (BSE) and foot-and-mouth disease (FMD) in Europe, toxic substances such as dioxins in rendered products in Belgium, and recent terrorist events in the U.S. Canada is faced with an increased threat of inadvertent or deliberate animal disease introduction. Trade liberalization, emerging markets, and changing patterns of food consumption contribute to the seriousness of this issue. Regardless of the mode of introduction, a major disease outbreak would result in considerable economic and social impacts on Canada. For example, the potential cost of an FMD outbreak in Canada is estimated at \$30 billion (based on the costs to the United Kingdom following last year's FMD outbreak), taking into account costs such as slaughter, disposal, decontamination of farms, compensation for destroyed animals, loss of local and international trade, and loss of tourism.

The CFIA must continue to respond effectively to emerging science, including research developments in early disease detection, testing methods, treatment and feed production. These advances challenge the Agency to modify its disease control programs on an ongoing basis and ensure that the Agency has the capacity to regulate these products in an effective and efficient manner.

Scientific concern regarding rendered and waste products has come to the forefront. Re-examination of the regulatory system is required so that it can remain responsive to these emerging issues.

The CFIA helps to protect Canada's animal health status through two programs: Animal Health (under the authority of the *Health of Animals Act*) and Animal Feeds (under the authority of the *Feeds Act*). These programs focus on the following strategic activities:

- Control the entry and domestic spread of regulated animal diseases.
- Control animal diseases that are transmissible to humans.
- Meet other governments' science-based animal health requirements, and contribute to the development of jointly agreed-upon operational methods and procedures.
- Monitor compliance of livestock feeds with federal acts, regulations, and standards.

Under the authority of the *Health of Animals Act* and the *Feeds Act*, 203 cases of non-compliance were investigated, which led to 30 prosecutions and 17 convictions. The total value of the fines assessed by the courts was \$37,050. Convictions pertained to humane transportation of animals, failing to present high-risk products for inspection, and selling feed with undeclared ingredients.

Business Line Resource Inputs, 2001–02

Total Expenditures (million)	\$162.2
Respendable User-Fee Revenues (million)	\$8.0
Human Resources (FTE)	979
* FTEs = Full Time Equivalents	

* FTEs are a calculated number based on full staffing for the year. Staff who worked part time, or worked for a portion of the year are included in the calculation formula. The total number of full time and part time employees as of March 31, 2002, was 5467 for the entire Agency.

Accomplishments

Strategy Focus: Control the entry and domestic spread of regulated animal diseases.

Sector—As one of the more than 150 member countries of the Office International des Épizooties (OIE), the world reference organization for animal health standards, Canada is part of the worldwide effort to control certain livestock diseases.

All List A diseases⁸ were incorporated into the CFIA's Reportable Diseases Regulations in 2001.

List B diseases⁹ of concern to Canada are included in our regulations, while Canada's climate precludes the presence of other List B diseases that have never been reported here. A list of Canada's reportable diseases can be viewed on the CFIA Web site at: <http://www.inspection.gc.ca/english/reg/rege.shtml>

The OIE classifies diseases as indicated in the list below.

Examples of OIE List A and List B Diseases

List A

- foot-and-mouth disease
- Newcastle disease
- bluetongue
- swine vesicular disease
- African swine fever
- sheep pox and goat pox

List B

- rabies
- bovine brucellosis
- bovine tuberculosis
- bovine cysticercosis
- bovine spongiform encephalopathy

For a complete list, see www.oie.int

⁸ List A diseases must be reported by OIE member countries within 24 hours of diagnosis. These transmissible diseases are capable of very serious and rapid spread, irrespective of national borders; they are of serious socio-economic or public health consequence and of major importance in the international trade of animals and animal products.

⁹ List B diseases are transmissible diseases that have serious socio-economic or public health importance within countries and are significant in the international trade of animals and animal products.

Importing animals from foreign countries increases the risk that diseases could enter Canada and spread throughout our livestock populations. The CFIA enters into negotiations with the exporting country to design science-based import conditions that will safeguard our livestock while respecting international trade agreements.

CFIA Role—The CFIA maintains hundreds of protocols¹⁰ for trade in animals and animal products and by-products for countries around the world. In 2001–02, Canada’s import protocols continued to protect Canadian livestock from animal diseases associated with such importations. When developing import conditions, CFIA officials take into consideration the following factors: the country of origin; the species or commodity being imported; its treatment, processing, and end use; international standards and disease information and international obligations under the WTO; and consultation with other staff, departments, governments, and industry. Some imports must also meet the requirements of other federal partners. For example, Environment Canada has requirements for non-traditional livestock, and Health Canada has requirements for commodities of concern for human health. Trade in endangered species of animals is subject to permit requirements under the Convention on the International Trade in Endangered Species (CITES).

Import conditions are revised when a country’s disease status changes or when developments in science affect our policies. For example, Canada has amended its import policy for bovine spongiform encephalopathy (BSE) three times since 1996. Currently, Canada allows the importation of animals, animal products, and veterinary biologics only from countries that we have designated BSE-free, based on a scientific risk assessment.

The entry of all imported animals, imported animal products and by-products, and veterinary biologics at Canada’s 121 international border points (nine international airports and 112 Canada–U.S. crossings) is controlled by CFIA staff through a verification process that may include inspection to enforce import conditions.

Performance—The CFIA, assisted by the Canada Customs and Revenue Agency, effectively controlled the entry of more than 24 million farm animals (cattle, horses, bison, goats, swine, sheep, poultry, etc.) and approximately 290 000 livestock semen and embryos. Only about 10 000 farm animals enter Canada from countries other than the U.S. Most animal imports from the U.S. (99%) are poultry which are considered a low risk commodity. U.S. poultry may be imported into Canada if accompanied by a U.S. Department of Agriculture certification that the shipments meet our import conditions. The CFIA’s inspection resources are targeted at higher risk commodities in which clinical signs of disease may be apparent. Protocols or import conditions for the entry of these higher risk shipments may include permits, pre-entry and post-entry testing, quarantines, and export certification. Most live animals from countries other than the U.S. require 30-day quarantines enforced by CFIA staff.

¹⁰ Protocol refers to the established health conditions negotiated between countries to provide for trade in animals, animal products, and genetics. Protocols are designed to respect international trade agreements and are science-based.

Animals that are found not in compliance with import requirements and that could pose a threat to Canada's animal health status may be refused entry or could be ordered destroyed.

Of the 24 million farm animals imported in 2001, 253 346 were quarantined in accordance with our requirements and 764 animals and 8000 doses of semen were refused entry because they failed to meet our import conditions. The number of animals refused entry is small, which is consistent with previous years. As for refused semen doses, the rejection rate was also very small.

In 2001, CFIA suspended import permits for live animals, embryos, semen, and animal products from countries reporting foot-and-mouth disease outbreaks, including the U.K., France, the Netherlands, Ireland, Argentina, Uruguay, and Brazil.

As a measure of our effort to respond to the global spread of BSE, the CFIA imposed a ban on the importation of beef products from Brazil that did not meet our import requirements, and, following the confirmation of BSE in Japan, is tracking importations of cattle of Japanese origin that were imported from the U.S.

Under the veterinary biologics program, the CFIA licensed 73 new products in 2001—up from 66 licensed the previous year—bringing the total number of licensed veterinary products in Canada to 683. These products are either manufactured in Canada in one of 17 manufacturing establishments or imported by one of the 56 commercial importers/distributors in Canada under an annual permit/licensing system. The average time required to review a new submission, which was estimated at 231 days in 1999, and dropped to 143 in 2000, is now 150 days.

The CFIA received 1661 suspected adverse reaction reports in 2001, an increase from the previous year of 9%. This indicates the increased awareness of this program among the public and private veterinary practitioners.

The CFIA's disease control programs are designed to prevent or mitigate the effects of widespread disease outbreaks. For example, in regard to chronic wasting disease (CWD), which was first discovered in farmed elk in Canada in 1996, the CFIA's national disease eradication program involves the co-operation of federal and provincial governments, the cervid industry, veterinary colleges, and veterinary practitioners. As of March 31, 2002, some 39 CWD-infected herds had been identified and destroyed, and two additional herds had been quarantined. Of the approximately 7500 cervids from infected herds and from trace-out premises killed, 226 animals tested positive for CWD. Of these, only 22 had clinical neurological signs. CWD in farmed elk had only been found in Saskatchewan until February 2002 when a case was detected in Alberta. This case is being investigated, and it appears to be unrelated to the outbreak in Saskatchewan. Although CWD is considered under control, the CFIA will continue to monitor this disease. The provincial governments in Manitoba, Alberta, and Saskatchewan have each put a program in place complementary to that of the CFIA and designed to identify infected herds. The CFIA also introduced a herd certification program to enable exporters of Canadian elk to meet export requirements.

Together, industry and government are continually working to improve compliance with the provisions in the *Health of Animals Regulations* governing the transportation of animals. The regulations are designed to address the needs of animals being transported—food, water, and rest. The transportation of spent laying hens has been improved since 1999 by the work of an industry-government committee that developed recommended guidelines for the procurement, handling, and transport of these birds. As a result of this work, shipments arriving at federally registered establishments have shown a decrease in the percentage of dead birds from an average of 2.1% in 1995 and 1996, to 1.6% and 1.5% in 2000 and 2001, respectively.

Overall, the control of entry and domestic spread of regulated animal diseases remains a constant challenge.

Initiatives— In 2001, the CFIA conducted an extensive public awareness campaign to prevent the entry of foot-and-mouth disease (FMD) from infected countries and enhanced border inspection by targeting international flights, farm equipment, new and used vehicles, military vehicles, and settlers' effects. FMD has not been reported in Canada since 1951. Canada retained its FMD disease-free¹¹ status. Nonetheless, given the high level of contagion of this disease, the Agency must continue to be vigilant.

In September 2001, the CFIA, in partnership with the governments of Ontario and Quebec, the Canadian Cattlemen's Association, and the Canadian Pork Council, hosted a forum on FMD to identify the key issues and solutions for a collaborative emergency management plan for all stakeholders.

The feeding of edible residual material (ERM) in Britain is believed to have been responsible for its FMD outbreak in 2001. The CFIA reviewed the ERM program, which provides for the feeding of commercial waste foods to swine and poultry, and as a result the CFIA no longer issues permits that allow the feeding of ERM that contains meat. Among many initiatives directed at enhancing emergency preparedness, the CFIA is developing an emergency management data base to address foreign animal disease outbreak scenarios.

Surveillance for transmissible spongiform encephalopathies (TSEs), such as scrapie and BSE, remains a CFIA priority. In 2001, the CFIA modified the scrapie program to require diagnostic sampling for any animal over 12 months of age that dies on premises where scrapie has been diagnosed. With respect to BSE testing, even though Canada is free of BSE, the CFIA is broadening the sample of target populations, such as downer animals at slaughter and dead stock, to meet changing international standards.

The CFIA is concerned about the transportation of non-ambulatory livestock.¹² The CFIA is working with stakeholders to achieve consensus on the handling and transport of these

¹¹ Details on disease-free status can be obtained on the OIE web site: www.oie.int/eng/info/en_statut.htm

¹² Those animals unable to stand without assistance or to move without being dragged or carried.

animals and on a definition of “fitness for transport.” As a first step in this process, the CFIA completed a survey of non-ambulatory animals arriving at 19 slaughter plants and three livestock auction markets in 2001. Of the 7382 animals included in the survey (90% of which were dairy cattle), 37% were condemned. This high condemnation rate is a concern to the Agency. The CFIA has brought this matter to the attention of industry. The Agency has also initiated a non-ambulatory survey focusing on swine.

Strategy Focus: Control animal diseases that are transmissible to humans.

Sector—There are a number of diseases that are transmissible from animals to humans. These zoonotic diseases may pose significant health risks.

CFIA Role—The CFIA protects human health through diagnostic testing and surveillance and control activities for zoonotic diseases. The CFIA assists in maintaining the well-being of Canadians by providing diagnostic expertise and controlling and eradicating diseases in animals that are in contact with humans. Anthrax, tuberculosis, brucellosis, West Nile virus, and rabies are known zoonotic diseases. Animals harboring *E. coli* and *Salmonella* do not present clinical signs, but when transmitted to humans, these organisms can have a significant effect on health.

For some diseases that occur infrequently, such as anthrax, the CFIA’s control activities are activated by a disease report. For other diseases, such as tuberculosis, ongoing surveillance is in place as this disease nears eradication in Canadian cattle and farmed bison. As part of this eradication effort, the CFIA identified a tuberculosis disease reservoir in the wild animal populations of Riding Mountain National Park. The CFIA is amending its disease control policy accordingly. The CFIA has developed a plan to review and redesign its program for bovine tuberculosis and has set a goal to eradicate the disease in Canada.

Performance—Although Canada declared itself free from brucellosis in 1985, testing continued in 2001 in 75 006 cattle. Seven suspect animals were detected and investigated with negative results.

Although other jurisdictions, such as provincial governments, have the responsibility for controlling rabies in wildlife, the threat to humans and domestic livestock remains. In 2001 the CFIA tested 14 654 specimens for rabies. This is a significant increase from the number of specimens tested the previous year (8762) and is largely attributed to surveys undertaken by the provinces in Ontario (4790) and Quebec (221) following the incursion of the raccoon rabies strain from the U.S. into parts of those provinces and New Brunswick; 8% of the positive cases were found in domestic livestock, and domestic dogs, and domestic cats accounted for 4% of the confirmed cases. The decrease in the number of positive rabies cases from 770 in 2000 to 444 in 2001 relates to the lower numbers of reported cases in skunks in Manitoba and Saskatchewan (from 404 in 2000 to 124 in 2001).

Zoonotic diseases such as rabies were not reported in humans last year. Zoonotic diseases such as *Salmonella* and *E. coli* were reported in humans.

Initiatives—The Agency is endeavoring to create closer ties with public health institutions to obtain information on occurrences in an effort to control animal diseases that are transmissible to humans.

Strategy Focus: Meet other governments' animal health requirements, and contribute to the development of jointly agreed upon operational methods and procedures.

Sector—Canadian exports of healthy animals and top quality animal products and by-products support a healthy economy. Canada exported more than 15 million live farm animals and poultry to countries around the world.

CFIA Role—The CFIA facilitates the export of desirable Canadian animals and animal genetics by negotiating protocols with prospective global trading partners. The CFIA issues export certificates attesting to the health of Canadian livestock that meet importing countries' requirements.

Performance—The CFIA negotiated new export protocols with seven countries and worked to improve access to existing markets by revising and updating export agreements. Canadian exporters benefit from the CFIA's expertise in certifying animals, animal products and by-products, and veterinary biologics as required by the importing countries. Export markets are enhanced by the quality of Canadian products and our ability to meet internationally accepted requirements.

In January 2001, the CFIA participated in a Canadian International Development Agency workshop designed to provide delegates from the People's Republic of China with information about World Trade Organization (WTO) member countries' responsibilities in respect of WTO sanitary and phytosanitary guidelines.

CFIA and Health Canada representatives participated in the Organisation of Economic Co-operation and Development (OECD) Task Force for the Safety of Novel Foods and Feeds. Activities this year included preparations for delivery of the first outreach project in food and feed safety, which is planned for the Russian Federation and neighbouring countries during the fall of 2002. The Steering Committee, led by Canada, prepared a case study on bacillus thuringensis (Bt) corn and training materials for the assessment of food and feed safety. In addition, Canada and the U.K. prepared the first draft of a new consensus document on the Safety Assessment of Animal Feeds, which was finalized in June 2002.

Strategy Focus: Monitor compliance of livestock feeds with federal acts, regulations, and standards.

Sector—Effective feeds contribute to the production and maintenance of healthy livestock. Safe feeds contribute to the production of safe meat, milk and eggs.

CFIA Role—The CFIA enforces the *Feeds Act* so that livestock feeds used in Canada are safe, effective, and appropriately labelled.

Performance—The CFIA regulates rendering plants and issues their operating permits. Rendering plants process 1.7 million tonnes of inedible animal materials and produce a number of products including high-quality protein meal¹³ used to manufacture livestock feeds (90%) and pet foods (10%). Protein meal produced through rendering must be safe to prevent the spread of animal diseases such as BSE. Last year, Canada's 32 rendering facilities were found to be in compliance with the regulations. As well, all renderers had complied with regulations pertaining to manufacturing and labelling requirements.

The *Feeds Act and Regulations* specify products requiring registration, and last year the CFIA received and processed 880 submissions from industry for feed registration or ingredient approval. Of these, 794 (90% of the submissions) met regulatory requirements and were approved. This is consistent with last years' results.

Initiatives—In October 2001, the CFIA, in conjunction with the Animal Nutrition Association of Canada, hosted a workshop for 60 feed industry participants to review the CFIA policies and procedures applicable to the labelling and registration of feeds and the approval of feed ingredients. This was done to improve the overall efficiency of the submission evaluation process. The initiative was well received and is expected to improve the quality of submissions the CFIA receives for registration of new products.

With respect to medicated animal feeds, the CFIA is proceeding with the next steps in its proposal to license all Canadian manufacturers. The proposed regulations address global concerns about the use of medications in food-producing animals by establishing a minimum set of process control measures to be implemented in Canada including licence requirements for operators of medicated feed manufacturing establishments. CFIA officials are finalizing a comprehensive manual of procedures, which will serve as an interpretive guide to accompany the proposed regulations and should help to improve regulatory compliance in regard to feed and feed labelling. In the spring of 2001, the CFIA conducted pilot projects across Canada to support the manual of procedures and the proposed regulations. This exercise reviewed procedures with respect to mixer performance validation, scale verification and equipment

¹³ Protein meal is derived from animal by-products and is used as an ingredient in animal feed. In accordance with the *Health of Animals Regulations*, protein derived exclusively from porcine or equine animals and milk and blood proteins from all mammals, including ruminants, may be fed to all species including ruminants.

calibration, validation of equipment clean-out, and inventory maintenance. Information was gathered in a variety of manufacturing systems, predominantly those used on farms. While most of the facilities inspected had in place some of the manufacturing control mechanisms required by the proposed regulations, few had them all. The number of samples collected confirmed the importance of making available a procedures manual and maintaining daily inventories in bulk systems.

In order to support the CFIA's detection, control and eradication activities, a 10-day intensive training course was offered in foreign animal disease (FAD) preparedness, sample collection, transportation of dangerous goods, and the basics of FAD outbreak response. Over the past three years, more than 50 staff have received this training. Training was also given to CFIA responders in case of transportation incidents and also in field response procedures when suspecting certain diseases in live animals. In addition, considerable effort was placed on the development of training materials for recruits to FAD outbreak control centres in the areas of diagnosis, clinical exam, necropsy procedures, sample collection, biosafety procedures during farm visits, and cleaning and disinfection protocol. All of these initiatives were carried out in support of ensuring the preparedness of the CFIA in the case of a FAD outbreak.

Training has been given for the past five years in animal behaviour, humane handling facilities, and the Humane Transportation Enforcement policy, with a goal of training 100% of the target population during that time frame. So far more than 880 staff were trained across the country, with plans to continue training in the future on an as needed basis.

2.4 Plant Protection

Strategic Outcome: Protection of the plant resource base and regulation of inputs.

Canada's plant resource base is crucial to our economic well-being. The forestry sector and the agriculture and agri-food sector are among Canada's top five industries. In 2001, the forestry industry alone accounted for shipments valued at \$78.6 billion, whereas the agriculture and agri-food sector—consisting of grain and oilseeds, fertilizer, and seed—contributed \$8.3 billion, approximately \$5.8 billion, and \$1 billion, respectively. Millions of Canadians depend upon these industries for their livelihoods. It was estimated¹⁴ that the forestry industry provided employment, both directly and indirectly, to more than 823 000 Canadians, while nearly twice that number are employed in the agriculture and agri-food sector.

Plant Health Programs

- Plant Protection
- Seed
- Fertilizer

¹⁴ Year 2000 Source: Statistics Canada

CFIA Role—Through its import permit requirements for regulated products, inspections at international border points, and surveillance activities, the CFIA guards against the entry and spread of pests from foreign countries. As well, CFIA staff work within Canada to control or eradicate pests. These include some viruses, fungi, bacteria, mycoplasmas, nematodes, insects, and plants. Some of these control and eradication efforts are carried out in co-operation with provincial and municipal governments and industry partners.

The Agency also conducts inspections to verify compliance with safety and product standards for seed and fertilizer, two key inputs for plant production.

Some of the activities under the CFIA's plant-related responsibility are carried out by certified industry staff or accredited third parties. In these instances, the CFIA develops the processes, certifies those who will carry out the activities, and audits delivery of the services. Such is the case with the Canadian Seed Institute, which has 46 accredited private laboratories for testing seed. As well, some 225 Canadian wood packaging facilities are certified under the Canadian Wood Packaging Certification Program to produce wood packaging materials to meet European Union (EU) import requirements.

The CFIA helps to protect Canada's plant resource base by carrying out three distinct, yet related, programs: namely, plant protection, seed, and fertilizer. These programs focus on the following strategic activities:

- Control the entry and domestic spread of regulated plant pests.
- Meet other governments' import requirements, and contribute to the development of jointly agreed upon work plans, certification methods and procedures.
- Maintain effective plant input programs that are consistent with emerging international trends and new technologies with high standards for safety, product, and process.

With respect to the *Plant Protection Act* and the *Fertilizer Act* and *Seeds Act*, the CFIA conducted 57 investigations that led to 10 prosecutions with fines assessed by the courts that totalled \$21,000. Convictions dealt with importation of rootstock with soil, selling unregistered seed, and making false statements on import declarations forms.

Key Partners—The CFIA works with others to achieve the protection of the plant resource base. Its key partners include:

Other federal departments and agencies: The CFIA works with other federal departments and agencies to enhance the knowledge required for policy and standard setting, regulation and program development; regulatory market access agreements, scientific risk assessments; surveillance and intelligence gathering, inspection, and scientific risk mitigation.

Provincial governments: At the provincial level, the CFIA works particularly closely with the ministries of agriculture, the environment and forestry. Activities undertaken with these partners mirror those undertaken with federal departments and agencies.

Non-government stakeholders: The CFIA consults with a range of stakeholders, including industry and others, regarding our regulatory policies, programs and activities. We seek co-operation in research and expert advice on inspection and certification systems. These partners include: commodity associations, scientific institutes, brokers, importer and exporter associations, environmental organizations, scientists and specialists in universities, and research organizations; and others.

Trading partners and international organizations: The CFIA works with a number of Canada's trading partners, as well as international organizations, in an effort to maximize the effectiveness of Canada's regulations within the international regulatory system. The CFIA also promotes Canadian positions on standards and regulations in the international arena. Key partners include: U.S. Department of Agriculture – Animal and Plant Health Inspection Service, Food and Agriculture Organization, International Plant Protection Convention, and its regional body, the North American Plant Protection Organization, the Organisation for Economic Co-operation and Development, International Seed Testing Association, International Union for the Protection of New Varieties of Plants, the Asia Pacific Economic Cooperation, and the WTO and NAFTA committees on the application of sanitary and phytosanitary measures.

Challenges and Risks—The threat of introduction of invasive species into Canada is increasing due to growing volumes of trade from high-risk countries and an increasing rate of pest findings worldwide. The CFIA is challenged to modernize its programs due to the combination of the volume and diversity of imported products, the rapidity of trans-global movements of products, and the findings of pests in new 'pathways', such as wood packing materials. There is an increasing need for government and industry to work co-operatively to address these issues. Program redesign linking policies and programs focusing on risk pathway analysis, effective smuggling interdiction and the utilization of advanced science and technology for rapid identification/detection methodologies is a high priority in response to this challenge.

Maintenance of consumer and market confidence in Canada's pest status and certification system is critical to meeting foreign regulatory requirements. Products for export must meet increasingly stringent requirements of foreign governments demonstrated through science and certification systems and declaration of identity. The increasing export requirements demand that the Agency continually address certification systems and roles of its provincial and industry partners. Quality programs, which contribute to confidence domestically and internationally, are growing in importance.

The use of new technology and the advancement of the production of agricultural inputs challenge existing programs. Program design must evolve to take these changes into consideration and must be done in an international context. The administration of the various permit, registration and certification systems must remain responsive. This includes registration of fertilizers/supplements, seed establishments and varieties of seed;

inspection and certification of plants and plant products for export, inspection of imported regulated plants and plant products, approval of plants with novel traits, and granting of Plant Breeders' Rights.

Business Line Resource Inputs, 2001–02

Total Expenditures (million)	\$84.0
Responsible User-Fee Revenues (million)	\$8.4
Human Resources (FTE)	835
* FTEs = Full Time Equivalents	

* FTEs are a calculated number based on full staffing for the year. Staff who worked part time, or worked for a portion of the year are included in the calculation formula. The total number of full time and part time employees as of March 31, 2002, was 5467 for the entire Agency.

Accomplishments

Strategic Outcome: Control the entry and domestic spread of regulated plant diseases and pests.

Sector—Canada's plant and plant products (grain, fruit and vegetable, and plants) sector is a \$44 billion industry. Many Canadians derive their livelihood from activities in this sector. The introduction or spread of any plant pest could have a devastating impact on Canadians and the economy as a whole.

CFIA Role—Under the authority of the *Plant Protection Act*, the Agency regulates the importation of certain species of plants and plant products to help control the entry and spread of pests that could damage Canada's biodiversity, domestic resource base, or ability to export plants and plant products.

Performance—In 2001–02, CFIA staff issued 6187 import permits for regulated plants and plant products and conducted 35 247 import inspections to confirm compliance with federal acts and regulations. Our inspectors carried out 3107 inspections on import shipments. These included the disposition of 2174 non-compliant shipments and 933 supervised treatments.

The issuance of import permits sets out the import conditions that allow the CFIA to target the level of pest risk associated with imported commodities prior to being presented for entry into Canada. Inspection of imported commodities identifies non-compliances so as

to prevent contaminated shipments (i.e. plants for propagation contaminated with soil-borne pests) from introducing new pests into crop and forest production areas of Canada. The establishment of new pests in Canada can directly impact the basis for certification associated with the 67 742 phytosanitary certificates the CFIA issued for export shipments.

Last year, surveys were conducted across Canada for 20 organisms (insects, fungi, viruses, and nematodes). Such surveys are intended to detect exotic pest introductions, to delimit the infestation boundaries of regulated pests in certain parts of Canada, and to support eradication programs. Survey information is used to validate Canada's import requirements and to support the CFIA's export certification of plants and plant products. The total number of organisms surveyed increased slightly from previous years because of the discovery of new incursions and the introductions of plant pests.¹⁵ The largest efforts focussed on the potato wart, chrysanthemum white rust, Japanese beetle, plum pox virus (PPV), brown spruce longhorn beetle (BSLB), and the Asian long-horned beetle.

PPV is a serious disease of stone fruit trees including peach, nectarine, plum, and apricot. After PPV was confirmed to be present in Ontario in June 2000 near Niagara-on-the-Lake and later confirmed in one case in Nova Scotia, the CFIA led an eradication program that included the removal of diseased trees and the establishment of quarantine zones.

In 2001, the CFIA worked with provincial governments to conduct a more extensive survey, collecting and testing 153 000 samples from the stone-fruit-growing areas of Nova Scotia, Quebec, Ontario, and British Columbia. PPV was not detected in areas other than within the established Ontario quarantine areas, with one exception—an area near the quarantine zone boundary. As such, a new quarantine zone was established. Eradication and survey efforts are continuing in 2002 in order to control or eliminate this disease.

In spring 2000, the Canadian Forest Service identified BSLB as a cause of mortality in black, red, white, and Norway spruce species in Point Pleasant Park in the Halifax Regional Municipality. This was the first known occurrence of this invasive forest pest in North America. In response to this threat, the CFIA led an extensive survey and eradication program beginning in 2000. The following year, an additional 106 infested trees were removed from within the park, and 588 trees were removed from outside of the park, bringing the total number of trees removed to 4196. Although the number of infested trees found up to March 2002 has diminished, the CFIA continues to closely monitor this eradication program. The reduction in the number of infested trees found would suggest that the CFIA and its partners are reducing the overall populations of BSLB within the quarantine area and progress is being made towards the goal of eradication of this invasive, introduced forest pest.

¹⁵ Additional information on plant pest surveys can be found on the CFIA Web site at www.inspection.gc.ca/english/ppc/science/pps/situe.shtml

The confirmation of potato wart, a soil-borne fungal disease, in a P.E.I. potato field in October 2000, initially caused the U.S. to impose an import ban on all P.E.I. potatoes. Because of the extensive survey done by the CFIA to show that this disease was confirmed in only one field of one farm, and the imposition of quarantine measures on that farm, the U.S. lifted the ban. A three-year agreement was reached in 2001 to permit the continued shipment of P.E.I. potatoes to the U.S. and to other provinces under specified conditions.

The CFIA regulates the environmental release of plants with novel traits¹⁶ (PNTs). PNTs can be produced through biotechnology and by applying such techniques as conventional breeding, mutagenesis, and recombinant DNA technologies.

Confined research field trials give developers the opportunity to conduct research on PNTs and to understand the plant's interactions in the environment. When the Agency authorizes confined field trials of PNTs, the trials are conducted under specific terms and conditions that mitigate the potential environmental impact of the PNTs and minimize gene flow from the trial. Field trials are managed in such a way as to help prevent the introduction of the novel trait(s) into the food and feed systems. To ensure that developers adhere to the terms and conditions of the release, CFIA staff inspect all current-year field trials and fields under post-harvest land-use restrictions. Occasionally, developers may not comply fully with the terms and conditions of the field trial, and when this occurs, the Agency works closely with the developer to bring the field trial into compliance. Compliance problems that were identified in field trials have been corrected and did not pose any environmental or safety concerns. No PNTs are released from trials unless they are in full compliance. (See Plant Biosafety Office (PBO) 2001 Inspection Activities chart below.)

PBO 2001 Inspection Activities			
	2000 Fall Seeded Trials	2001 Post-Harvest Trials	2001 Current-Year Trials
Number of Trials Conducted	20	1186	283
Number of Trials Inspected	18	263	272
Percentage of Trials Inspected	90	22	96
Number of Trials with Compliance Problems	2	22	30
% of Trials Inspected with Compliance Problems	12	8.4	11

¹⁶ PNTs are plant varieties/genotypes that are not considered substantially equivalent in terms of their specific use and safety, both for environment and for human health to plants of the same species in Canada, having regard to weediness potential, gene flow, plant pest potential, impact on non-target organisms, and impact on biodiversity.

Specific work instructions (SWIs) have been drafted to describe new inspection activities required by the CFIA. These SWIs describe the inspection protocols for the disposal, storage, and records to be kept by managers of confined field trials. The CFIA has also enhanced the inspection of field trials under post-harvest restrictions. The inspection activities described in the SWIs are being conducted during the 2002 growing season.

Initiatives—The Agency has undertaken several research projects that will contribute to the knowledge base on which regulatory policy is developed. These projects serve to supplement the information that companies provide in their applications for unconfined environmental release of PNTs. Research has been contracted out to university researchers, private companies, and government researchers. The results of this work can be viewed at: www.inspection.gc.ca/english/plaveg/pbo/pbobbve.shtml

Strategy Focus: Meet other governments' import requirements and contribute to the development of jointly agreed upon work plans and certification methods and

Sector—Canada exports \$23.6 billion of plant products to more than 155 countries.

CFIA Role—The CFIA certifies that Canada's seed, plant, and forestry products meet other countries' import requirements, which include the condition that these products are free from quarantine pests of concern. This helps to facilitate international trade and to maintain the excellent international reputation of Canadian plants and plant products.

Performance—In 2001, CFIA inspectors issued 67 742 phytosanitary certificates. This number is up from the 54 389 certificates issued in 2000. The CFIA was notified 60 times that Canadian products did not meet the import requirements of a country. This number is down from approximately 100 notifications received in 2000. In most cases, the shipments were released, often through an intervention made by the CFIA. In 10 cases, the shipments were returned to Canada. In two cases, the plants in the shipment were incinerated. This low incidence of non-compliance with foreign-country requirements indicates that CFIA continues to uphold its high standard of phytosanitary certification.

Initiatives—The CFIA continues to represent North America (Canada, the U.S., and Mexico) in an influential international standard-setting committee established by the International Plant Protection Convention (IPPC). Last year, the IPPC, which has a membership of 117 countries, adopted four new international standards and amended one. Notable among these standards are the IPPC Guidelines for Regulating Wood Packaging Material in International Trade, which the CFIA initiated.

CFIA representatives also contributed to the North American Plant Protection Organization (NAPPO), by continuing to play a key role in the development of new or revised standards.

Seeds

Strategy Focus: Maintain effective plant input programs consistent with emerging international trends and new technologies with high standards for safety, product, and process.

Sector —Plant inputs such as seeds are crucial to Canadian growers.

CFIA Role—Together, the CFIA and the seed industry are responsible for seed quality in Canada. Under the *Seeds Act*, the CFIA regulates seed and registers seed varieties and seed establishments. CFIA staff inspect imported seed and conduct marketplace inspections and surveillance activities to determine that seed presented for sale in Canada meets established standards. As well, the CFIA certifies that pedigreed seed exports meet importing countries' standards. Seed conditioning, sampling, testing for purity and germination, grading, and labelling are performed by industry under the watchful eye of the CFIA and the Canadian Seed Institute (CSI). The CFIA audits the CSI's activities as a conformity verification body. An audit conducted in winter 2001 showed that the CSI quality standards conform to those of the Agency and highlighted areas for improvement in reporting and communication. Corrective actions are under way. The Agency, together with the CSI, oversees an active seed laboratory accreditation program for 46 private labs and about 100 analysts who provide seed testing services. The Agency's own seed laboratories provide the CSI with technical audit and proficiency testing services for the accreditation of private seed testing labs.

Performance—The CFIA operates two seed laboratories that provide vital scientific advice and analytical testing for seed germination, viability, mechanical purity, varietal purity, seed-borne diseases, and for the seeds of weeds of quarantine pest status. These labs conducted 11 046 analytical tests on 10 642 samples submitted for analysis, primarily for mechanical and varietal purity, germination, and disease. This service is provided to the Agency's seed inspection and enforcement program and for the issuance of International Seed Lot Certificates for seed industry exports. These labs also conducted 2243 import conformity seed assessments to assess conformity with Canadian entry requirements and prepared 97 exams for assessment of industry graders. This is a new approach—the goal of which is to reduce the incidence of import shipments not meeting standards.

The Agency's Variety Registration Office (VRO) registers most agricultural crops in Canada. The VRO maintains a Web site that provides the seed industry, and the agri-food sector in general, with the most up-to-date information on the registration status of plant varieties. During the past year, the VRO registered 156 varieties, including the contract registration of two varieties of canola (*Brassica juncea*). This is a new crop developed in Canada, and these varieties are the first of their kind in the world.

CFIA inspectors conducted marketplace inspections targeting establishments with poor compliance records and establishments that had been the subject of complaints. In 2001, analytical results indicated that 92% of pedigreed seed and 81% of non-pedigreed seed met prescribed standards—rates of compliance consistent with those of previous years. Inspection staff responded to 438 complaints, which led to issuance of 269 educational and warning letters, 124 detentions, 6 refusals of entry, and 7 cases moving to the prosecution stage. Notable prosecution actions included successful prosecution of a repeat offender who was levied a \$16,000 fine and a two-year probation for selling unregistered varieties in contravention of the *Seeds Act* and *Regulations*. This significant result establishes a precedent for *Seeds Act* violations and provides a noticeable deterrent that should result in increased compliance with seed regulatory requirements.

Concerns regarding potential importation of an unapproved genetic product (StarLink™) in seed corn prompted the CFIA to issue an advisory to industry stating that seed of field corn imported from the U.S. must be accompanied by documentation that shows the seed has tested negative for the trait. A seed sampling plan to monitor the accuracy of the documentation was also put into place. All samples tested negative for presence of the StarLink™ trait. However, an adventitious mixture of StarLink™ in non-genetically modified corn produced in Canada, as well as in seed in storage, was reported in 2001. CFIA staff responded promptly to ensure both the appropriate disposal of the seed and the imposition of post-harvest restrictions.

Initiatives—The Canadian Seed Growers Association (CSGA) is responsible for developing genetic purity standards, regulating pedigreed seed crop production, and certifying the varietal purity of pedigreed seed crops. CFIA staff inspect crops to verify varietal purity and the growing conditions of pedigreed seed. Inspection reports completed by CFIA staff are submitted to the CSGA which, in turn, issues crop certificates indicating compliance with varietal standards. Last year, pedigreed seed was grown in 25 413 fields by 4262 growers. Agency inspectors and CFIA-accredited private crop inspectors conducted these crop inspections, which covered some 532 872 hectares, and found that, as in previous years, just over 1% of the inspected acreage failed to meet CSGA standards and therefore were not eligible for crop certification as requested.

Under the authority of the *Plant Breeders' Rights Act*, the CFIA protects the work of plant breeders. After developing a new variety, a plant breeder applies to the CFIA for rights to control multiplication and sale of the variety's reproductive material. To be granted that right, the applicant must demonstrate to the CFIA that the variety is new, distinct, uniform, and stable. The table on the following page outlines results with respect to applications received in 2000–01.

Applications from Plant Breeders for Rights Protection¹⁷				
	Applications for Rights Protection	Approved	Renewals	Agency Revenues for Service
Calendar 2000	405	193	485	\$627,500
Calendar 2001	450	202	566	\$598,400

Fertilizer

Sector—Canada’s fertilizer industry generates products worth more than \$5.8 billion. The range of products regulated is wide and includes, among other things, bulk-blended fertilizer for the production of agricultural crops, home and garden fertilizers, fertilizers that contain pesticides, supplements such as viable microbial products to improve plant growth or plant yield, recycled products such as composts and processed sewage, and synthetic chemical products such as plant growth regulators or soil wetting agents.

CFIA Role— Fertilizers imported into or sold in Canada are regulated through requirements for registration and/or product standards for safety, efficacy and labelling. The intent of regulating these products is to monitor them for safety relative to human health and the environment and to confirm their efficacy and that they are labelled for proper representation in the marketplace. Under the authority of the *Fertilizers Act*, the CFIA monitors regulated products to determine their adherence to standards and takes appropriate action when product standards are not met.

Performance—Last year, the CFIA oversaw sampling and testing under the Canadian Fertilizer Quality Assurance Program (CFQAP). This voluntary industry-government program involves fertilizer blenders taking samples of their production, sending those samples to accredited laboratories, and sharing their analytical results with the CFIA. The Agency compiles the resulting information and publishes blend plant ratings in the Canadian Fertilizer Quality Assurance Report. Most CFQAP samples, as identified in the table above, were found to be in compliance with Canadian regulations. In 2001, the rate of compliance dropped slightly from previous years to 80%. The CFQAP provides an effective monitoring program, while enabling the Agency to redirect resources toward audits of quality control, consideration of health and safety issues, and complaint investigation.

¹⁷ Applications for rights protection are not approved for grant of rights until the examination requirements are met. Depending on the plant species, the CFIA’s approval process can take several years. Therefore, applications filed in a calendar year would not be approved in the same year. The renewals column refers to varieties previously approved for grant of rights that have been renewed during the calendar year.

Level of Sampling and Industry Compliance under the CFQAP					
	1997	1998	1999	2000	2001
Samples	3581	3483	3273	2887	2804*
Industry Compliance	84.60%	82.95%	84.38%	84.5%	80.0%
* The drop in samples is partly attributable to the variable number of voluntary participants in the CFQAP.					

In addition to samples monitored under the CFQAP, the CFIA monitored the production of bulk-blend fertilizer, which is produced at approximately 1220 plants across Canada. In these plants, CFIA inspectors took 717 samples to verify their guarantees and found a compliance rate of 79.5%. Some of the samples were taken at facilities participating in the CFQAP. When analysis of a sample indicates that a product does not meet the standards, the inspector follows up with the plant that produced the blend. This follow-up may be in the form of an on-site visit or correspondence with the plant manager. The inspector often works with the blender to determine why the product was non-compliant. It is the blender's responsibility to correct the problem so that future blends meet the requirements of the *Fertilizers Act*. If a blender continues to produce blends that are out of compliance, the CFIA takes enforcement action.

CFIA inspectors also took 196 samples of legume inoculants (nitrogen-fixing bacteria) and pre-inoculated seed and found a 90.8% compliance rate. Sampling was targeted at those products posing a higher risk of not meeting quality standards and at products new to the marketplace.

Over the past year, CFIA inspectors took 116 samples of fertilizers to determine whether regulated products are in compliance with safety standards for heavy metals such as cadmium, arsenic, lead, and mercury. Products sampled include micro-nutrient fertilizers, phosphate fertilizers, processed sewage, and compost and liming materials. Non-compliant products were detained and, unless they could be brought into compliance, were disposed of by an appropriate method.

Initiatives—Only fertilizers or supplements that fall under the jurisdiction of the *Fertilizers Act* are tested for biological contaminants. Compost, sewage sludge, and other recycled waste products that are given away generally fall under provincial waste management legislation and are subject to different standards than the products regulated under the *Fertilizers Act*. The microbial contaminants for which the CFIA test are *Salmonella* and *faecal coliform*. Most of the products that are sampled for pathogens are processed sewage sludge or compost products. This is because of the potential for carry-over of microorganisms from waste materials such as sewage, manure, and food wastes.

The compliance rates for products sampled by the CFIA for pathogen testing are not representative of the overall compliance of the industry. Reasons for this are:

- When a product is tested and the analysis shows that the product is non-compliant, a follow-up sample is taken and is frequently also out of compliance.
- Once non-compliance is detected, follow-up sampling of related products, such as products that include the non-compliant product as an ingredient in the blend, may be undertaken.
- Sampling targets those products that have been non-compliant in past years.

For example, in the results shown in the following table, all three of the samples testing positive for faecal coliform were product from one company but were taken at different sites or times. Thus, the compliance rate reported by the CFIA is unlikely to represent the industry's overall compliance with the standards.

From April 2001 to March 2002, CFIA inspectors took 34 samples for *Salmonella* testing and 21 for faecal coliform testing. If *Salmonella* is detected in a sample, it is considered positive. Non-compliant products are usually detained, and unless they are brought into compliance through reprocessing, they are disposed of by an appropriate method. Imported products found to be non-compliant are returned to the manufacturer. The following table summarizes the results of the pathogen testing program.

To increase control and improve performance, over the past several years the number of samples taken under this program has increased, and the percentage of non-compliant samples has decreased. Testing for faecal coliform, in addition to the existing *Salmonella* testing, was first done in 2000.

Ongoing discussions with processors and with other regulatory jurisdictions are aimed at enhancing the effectiveness and efficiency of the regulatory regime and at addressing problems at source. In 2001, in response to a product repeatedly testing positive, the CFIA advised the company that unless the method used to produce the product was changed to ensure that it met standards, the product would be unacceptable for sale in Canada.

The CFIA continued programs to update the technical competence of staff. Major areas for training last year included Canadian Wood Packaging (CWP), Grain Elevator Inspection Program (GEIP), and Authorized Certification Official (ACO) Project.

Authorized Certification Official (ACO) Project: Working with a team of Program and Operations staff, the ACO project for Plant Health and Production Division was launched in 2001–02. By the end of the fiscal year, about 180 staff had taken the self-paced training and passed the evaluations to meet criteria recognizing these individuals as Authorized Certification Officials in accordance with the North American Plant Protection Organization Standard. Administrative work started in 2001–02 regarding this project includes the development and implementation of a Quality System Manual and tracking system.

Canadian Wood Packaging Certification Program: Initial training of 40 to 45 Operations and Program staff was held to introduce the new Plant Protection Program for certifying that Canadian-produced wood packaging material was free from quarantinable pests. Specific training included the Quality Systems Programs for wood packaging producers and treaters, and the inspection of wood products for target pests.

Grain Elevator Inspection Program: The fiscal year 2001–02 began with a continuation of the series of joint training workshops for inspection staff from the Canadian Grain Commission and the CFIA. A further 35 people were trained on how to conduct grain elevator inspection to ensure that regulated pests are not entering the export grain flow at the various grain handling elevators in Canada. These successful workshops were recommended to be held every three years to maintain the integrity of the inspection program managed co-operatively between the two agencies.

Testing for Faecal Coliform and Salmonella			
Test	Number of Samples	Number of Positives (over tolerance)	% Non-compliant
Salmonella	34	5	15%
Faecal coliform	21	5	24%

2.5 Human Resources Management

In 2001–02, the Agency made progress in modernizing its human resource management capacity from coast-to-coast. The Agency’s HR Strategy 2000–03 provides the framework for the following annual report on human resource management.

Maintain a Qualified Workforce—With the role of the CFIA steadily increasing in importance on both national and international fronts, it is of utmost importance that the Agency ensure it has adequate numbers of qualified employees to support the business priorities. On March 31, 2002, the population of the CFIA was 5467 employees, representing an increase of 12.3% over March 31, 2001. Once again a significant percentage of the growth was in the Agency’s scientific and professional and technical community¹⁸ with the greatest population increase in the research scientist group (SE) at 19.2%. The focussed growth can be attributed, in part, to crises such as the outbreak of foot-and-mouth disease in Europe in 2001 and the September 11, 2001, tragedy in the U.S. which have generated a need for increased scientific and technical capacity. In addition, this concentrated growth also supports the federal government direction outlined within the Framework for Science and Technology Advice upon which the CFIA’s Science and Technology Action Plan is based.

¹⁸ For the purposes of this report all references to the scientific and professional and technical community will include the following occupational groups: AG, BI, CH, EG, SE, VM.

To maintain a qualified workforce, employees must receive appropriate training and development opportunities to carry out their current responsibilities and to prepare for future career aspirations. In 2001–02 the Agency spent \$3.4 million dollars on the direct costs for all types of training with particular focus on scientific and technical training.¹⁹ However, most of the scientific and technical training is given by Agency staff and their salary dollars and time spent on the development and delivery of training programs and in their on-the-job training responsibilities are not currently captured in this amount.

More than 90 national training initiatives were provided involving teams of Programs and Operations staff as subject matter experts in the design, development, and delivery of the training materials and programs. These initiatives were focussed on the development and updating of National Training Standards, training and certification programs, and on the delivery of critical training in support of new or modified programs and Agency priorities. As a result of these training initiatives, staff are well prepared to work with industry in the implementation of new or modified food inspection programs, enforce regulatory requirements, and better understand the science behind effective pest and disease control strategies and food safety issues.

A key component of maintaining a qualified workforce involves ensuring that a diversity of opinion and expertise is captured from a variety of sources including academe. To this end, the Agency continued to build partnerships with Canadian universities and colleges to develop talent, share research expertise, and promote innovation. For example, the Agency sponsored two new student participants in the President's Graduate Assistantship Program at the University of Guelph, bringing the total number of participants in the two-year program to four. These students provide the Agency with valuable biotechnology research capacity and expertise. Five students from the Western College of Veterinary Medicine were paid participants in an Agency mentorship program allowing them to benefit from exposure to the field of veterinary medicine. In partnership with the University of Sherbrooke, three chemistry co-op students performing their assignments with the Agency were eventually offered permanent employment opportunities.

While the focus of training efforts was primarily in science and technology, the Agency continued to provide important leadership development opportunities to its staff. Through the use of federal programs such as the Career Assignment Program (CAP) and the Management Trainee Program (MTP), the Agency continues to recruit and develop highly qualified individuals for key positions of responsibility. Leadership development opportunities were also provided to the Agency's Officer Training Program (OTP) graduates. The development of management and supervisory competencies programs was completed and the priority for the coming year will be delivering components of these programs in accordance with the learning continuum requirements. CFIA supervisors and managers took advantage of the flexibilities offered within the Agency's Management Learning Continuum, participating in

¹⁹ More complete details on scientific and technical training are detailed within the business lines section of the Annual Report.

varied non-technical training initiatives according to their needs. The training, which includes a mandatory Occupational Safety and Health component, will result in managers and supervisors having practical tools at their disposal to help them achieve results through their teams. Expected long-term results include more efficient and effective management and higher productivity. Individual employees may also benefit through increased career mobility resulting from their new knowledge and skills.

Area specific needs were addressed through a broad spectrum of non-technical training initiatives ranging from education on inter-generational differences to the fundamentals of compensation to retirement preparation sessions. In addition, Areas provided harassment awareness training and continued to support employees' career development through the reimbursement of tuition fees.

The collection of training data continues to be a challenge. However, the Agency is making progress in identifying solutions to facilitate improved collection of training information. This year, the CFIA implemented a pilot in the National Capital Region to track training information through the Administer Training Module of its human resources information management system, PeopleSoft. Plans are underway to fully implement the module in all Areas next fiscal year. Once fully implemented, it is expected the Agency will have an improved ability to track employee training and associated expenditures.

Special interest forums were held across the country to address local issues and respond to problems specific to the veterinary medicine (VM) occupational group. In addition, development of the VM competency profile continued and a final product is expected in summer 2002. A communication strategy will be developed to accompany implementation of the new tool. The competency profile will form the basis for the development of associated learning requirements and a learning strategy for the VM Group.

The CFIA planned for the future through the implementation of targeted succession planning initiatives in all operational centres. In the West, succession plans were developed for the unique needs of laboratory operations and, in the Atlantic, a transition program to "double-bank" critical positions was implemented. In Quebec, five employees were selected from a group of 10 trainees to complete working internships exposing them to important management competencies. In all areas, skills inventories are maintained in a data bank in order to accelerate staffing.

Attract and Retain Skilled Employees—The Agency has been successful in retaining employees at a rate of 94% in 2001–02. Despite a low actual annual retirement rate last year of only 15% of eligible retirees, the Agency's forecasted five-year retirement eligibility of 27% in the Scientific and Professional and Technical group continues to be monitored. Strategic recruitment initiatives have been successful in attracting required talent to the organization, resulting in growth of close to 10% in the Scientific and Professional and Technical group.

Given national and international pressures, the Agency further refined last year's recruitment and retention analysis and re-examined the seven groups that were identified as being critical. Several of the groups (CS, EG, PE) have not been found to be as difficult to recruit as expected because there is a large pool of potential candidates and/or the areas of expertise are broad and the skills are transferable. However, for the other groups (CH, EX, SE, VM) this is not the case. It was decided to focus efforts on the latter groups. This effort is vital given the competition in both public and private sectors for these employees and the specialized knowledge they possess which is needed to deliver on the Agency mandate.

In response to our forecasted needs, the Agency initiated recruitment efforts at both the national and area levels focussed on attracting students with scientific knowledge. The Agency was successful in hiring eight veterinary students under its Student Internship Program (SIP), 24 OTP graduates were confirmed in Agency positions. Now in its second year, the OTP succeeded in recruiting 25 new graduates from Canadian universities, with 80% holding undergraduate or graduate degrees in science. This program has received significant positive feedback from student graduates. A review is underway to ensure the program meets Agency requirements in the most effective and efficient way.

At the Area level, career fairs and student exchanges were held with university and college partners, resulting in the Agency hiring a total of 205 students in 2001–02, an increase of 32% over last year. Initiatives to attract students included a provincial advertising campaign in Quebec, a career orientation day in the West, and recruitment campaigns in both Ontario and the Atlantic which yielded significant numbers of new student applicants.

In October 2001, a national campaign was launched to recruit veterinarians. Recruitment of this group is challenging due to relatively low unemployment rates, coupled with the need for specialized "large animal" inspection training and challenging slaughter-house working conditions inherent to Agency business. Through a combined national advertising campaign in various newspapers and in the *Canadian Veterinary Journal*, the Agency increased its graduate applicants with doctorates in veterinary medicine from 37 to 91. These applications were then used to create a data base to facilitate VM recruitment for Agency management. Recruitment efforts were also extended internationally in order to find unique scientific talent not readily available domestically. These initiatives are expected to result in increased staffing efficiency and attraction of the highest calibre of veterinarian talent. A total of 60 veterinarians were hired in 2001–02 representing an increase of 14 over last year. This increase helped in responding to VM recruitment needs across the country. Establishing hiring targets in line with business needs is a challenge that will be addressed in the future through the development of integrated HR planning for all occupational groups.

On the biotechnology front, the Agency can report that as a result of last year's biotechnology recruitment initiative, 74 positions of the 75 originally targeted were staffed. This staffing activity supports the Agency's strengthened investment in biotechnology and the need to ensure highly specialized staff to respond to the challenges and regulations of the biotechnology business.

While attracting new employees is important, the Agency recognizes that to retain skilled employees we must foster productive employer/employee relations, good working conditions, and provide competitive salaries. The Agency has been increasingly active in promoting and participating in union/management committees which meet regularly at local, regional, area, and national levels to discuss issues of mutual interest and concern. The Occupational Safety and Health Committee is one example of a joint union/management effort to improve working conditions for employees. At the national level facilitated discussion took place between senior management and national union representatives to ensure common understanding of issues/concerns and to work toward their resolution. The CFIA has recognized the benefit of gathering employees' opinions and views on their working environments. A survey of inspection managers was conducted at a national meeting in April 2002. This survey gave inspection managers the opportunity to provide feedback on a variety of topics of interest. The feedback was then analysed and presented to management. Given the success of this survey and the quality of the information it provided, the CFIA is planning to develop a process to allow managers to target surveys to other populations of interest.

Collective agreements were signed with the Public Service Alliance of Canada and the Professional Institute of the Public Service of Canada. The Agency continues to deal with the grievances that were filed with the implementation of the Primary Product Inspector (PI) Review. All grievances are now at the final level of the grievance procedure and the Agency is working with the Agriculture Union to identify lead cases and to prioritize hearings.

Continue to Build a Supportive Work Environment—The Agency continued to build a supportive work environment by providing its employees with the tools to do their jobs safely and effectively and by ensuring that progressive HR policies, programs, and systems are in place to support a diverse and open work environment.

Recognizing the importance of ensuring that new employees receive an appropriate introduction to Agency business, a corporate Employee Orientation Program was developed in 2001–02. This program will complement customized area level orientation programs. The importance of providing work performance feedback on a regular basis, culminating in an annual performance review, continues to be an Agency priority, and regular communications to Agency management were issued in support of this effort. Despite this effort to promote the importance of completing and recording performance feedback reviews on an annual basis, tracking completion rates continues to be a challenge. The performance agreement template for the Executive Performance Management Program (PMP) was modified to evaluate Executive work performance for 2002–03 to include accountability related to employment equity, official languages, and occupational safety and health.

Important management support tools were developed, including a comprehensive Staffing Policies and Guidelines Manual to assist CFIA managers in taking optimum advantage of Agency staffing flexibilities and a compendium of demographic reports entitled Planning

for Tomorrow—Tracking HR Trends which has resulted in significant usage and positive feedback in its first year of publication. In addition, the Agency is continuing to develop and refine the Human Resources Performance Measurement Framework and has participated in inter-governmental working groups to share best practices in this regard. Consultations with areas and unions took place in 2001–02, to review the Staffing Complaint Policy in order to streamline the recourse process. Based on these consultations, a new policy will be implemented in fall 2002. The intent of the new policy will be to realize a reduction in the amount of time to process staffing related complaints and the associated costs.

Formal and informal Agency rewards programs recognized the significant achievements of employees across the country. The President's National Awards had another successful year with high participation and quality nominations. For the third consecutive year, the Agency was honoured with the distinctive Treasury Board Secretariat, Head of the Public Service Award for Excellence in Policy. In addition, the National Emergency Response Team (NERT) was recognized with a special commendation for compassion, humanity, and dedication to duty in the aftermath of the September 11, 2001, terrorist attacks on the U.S.

The CFIA continued efforts to ensure a diverse and representative workforce where linguistic duality and employment equity (EE) principles are valued and supported. Francophone representation at the Agency remained relatively unchanged this year over last at approximately 26% compared to 23% for the overall Canadian population. As of March 31, 2002, the Agency's representation in the four employment equity designated groups compared to the labour market availability was as follows:

The CFIA began the Employment Systems Review (ESR) to identify barriers to designated groups and probable causes of under-representation. The ESR will be completed in 2002–03 and efforts will be focussed on addressing the barriers and issues raised. The foundation for the ESR was the Employment Equity Workforce Analysis 2001, the results of which have been shared with management, employees, and unions. It is anticipated that a corporate Employment Equity Plan based on the ESR findings will be in place in the coming year.

Employment Equity Designated Groups	% of Labour Market Availability*	% of CFIA Workforce	
		March 31, 2001	March 31, 2002
Women	44.6%	42.2%	44.7%
Aboriginal Peoples	1.7%	1.5%	1.6%
Persons with Disabilities	4.6%	3.4%	3.2%
Visible Minorities	8.6%	6.9%	6.9%
* Derived from Statistics Canada Census 1996 and 1991 Health and Activities limitations Survey (HALS).			

Providing employees with safe working conditions to do their jobs is of prime importance. This year, work-related injuries decreased by 26% which can, in part, be attributed to significant progress in developing and revising occupational safety and health tools and by ensuring that employees are made aware of known and foreseeable health and safety hazards.

The Agency continued to promote flexible work arrangements in all geographic areas, and many employees took advantage of opportunities, such as part-time, flex-time, compressed work week, and leave with income averaging.

Conclusion—This report demonstrates Agency progress in modernizing its human resource capacity. Efforts to attract and retain the scientific and technical talent appropriate to the unique needs of each of our five geographic areas have been successful and will continue with the same vigour in the future to ensure our workforce continues rejuvenation in line with demographic change.

Next year, the Agency will continue work on the development of National Training Standards for each of our 14 programs. This process will allow us to formally identify the knowledge and skills required to perform program activities and to develop structured training programs with evaluation mechanisms to confirm the competency level of staff. In addition, the Agency will begin to streamline the classification system, build the strength of our employer/employee relationship and continue the move from a rules-based to a values-based staffing process.

Annexes

Annex 1: Financial Tables

Table 1 - Summary of Voted Appropriations

Financial Requirements by Authority (\$ millions)				
Vote		Planned Spending	2001-02	
			Total Authorities	Actual
Canadian Food Inspection Agency				
25	Operating Expenditures ⁽¹⁾	268.3	369.0	354.4
30	Capital Expenditures	14.8	15.8	8.3
(S)	Contributions to Employee Benefit Plans	46.1	48.0	48.0
(S)	Compensation Payments in accordance with requirements established by Regulations under the <i>Health of Animals Act</i> and the <i>Plant Protection Act</i> and authorized pursuant to the <i>Canadian Food Inspection Agency Act</i> .	1.5	27.1	27.1
Total Agency		330.7	460.1	437.8

Notes: Total voted contributions are less than \$250K, therefore included in Operating Expenditures Vote.

Table 2 - Comparison of Total Planned Spending to Actual Spending

Agency Planned versus Actual Spending by Business Line (millions of dollars)							
Business Lines	FTEs *	Operating	Capital	Transfer Payments	Total Gross Expenditures	Less: Respendable Revenues**	Total Net Expenditures
Food Safety							
Planned	3,224	243.9	7.5	0.1	251.5	34.1	217.4
<i>Total Authorities</i>	<i>3,354</i>	<i>285.0</i>	<i>10.6</i>	<i>1.0</i>	<i>296.6</i>	<i>36.5</i>	<i>260.1</i>
Actuals	3,244	270.1	8.3	1.0	279.4	36.5	242.9
Animal Health							
Planned	890	65.9	5.5	1.6	73.0	6.6	66.4
<i>Total Authorities</i>	<i>1,035</i>	<i>108.2</i>	<i>2.9</i>	<i>26.6</i>	<i>137.7</i>	<i>8.0</i>	<i>129.7</i>
Actuals	979	109.9	0.0	26.6	136.5	8.0	128.5
Plant Protection							
Planned	698	52.2	1.8	0.0	54.0	7.1	46.9
<i>Total Authorities</i>	<i>868</i>	<i>75.9</i>	<i>2.3</i>	<i>0.5</i>	<i>78.7</i>	<i>8.4</i>	<i>70.3</i>
Actuals	835	74.3	0.0	0.5	74.8	8.4	66.4
Total							
Planned	4,812	362.0	14.8	1.7	378.5	47.8	330.7
<i>Total Authorities</i>	<i>5,257</i>	<i>469.1</i>	<i>15.8</i>	<i>28.1</i>	<i>513.0</i>	<i>52.9</i>	<i>460.1</i>
Actuals	5,058	454.3	8.3	28.1	490.7	52.9	437.8
OTHER REVENUES AND EXPENDITURES							
Less non-respendable revenues							
Planned							0.1
<i>Total Authorities</i>							<i>0.8</i>
Actuals							0.8
Plus cost of services provided by other departments							
Planned							31.5
<i>Total Authorities</i>							<i>37.7</i>
Actuals							37.7
Net Cost of the program							
Planned							362.1
<i>Total Authorities</i>							<i>497</i>
Actuals							474.7

* Planned FTEs as per the Report on Plans and Priorities (RPP) for 2001-2002, which includes approved increases to Reference Levels at the time of its publication; Total Authorities includes those FTEs identified in the RPP plus any other approved FTEs via " increases to Reference Level at the time of this publication; Total Authorities includes those FTEs identified in the RPP plus any other approved FTEs.

** Planned Respendable Revenues in Food Safety includes \$0.4M of Crown Assets Disposals.

Table 3 - Historical Comparison of Departmental Planned versus Actual Spending

Historical Comparison of Departmental Planned versus Actual Spending by Business Line (\$ millions)					
Business Lines	Actual 1999-2000	Actual 2000-2001	2001-2002		
			Planned Spending	Total Authorities	Actual
Food Safety			217.4	260.1	242.9
Animal Health			66.4	129.7	128.5
Plant Protection			46.9	70.3	66.4
Total	379.0	408.4	330.7	460.1	437.8

Notes: As a result of the change in business line structure, the business line breakdown is not available for years prior to 2001-2002.

Table 4 - Revenue

Revenues by Business Line (millions of dollars)					
			2001-2002		
			Planned Spending*	Total Authorities	Actual
Respendable Revenues					
Food Safety			34.1	36.5	36.5
Animal Health			6.6	8.0	8.0
Plant Protection			7.1	8.4	8.4
Total Respendable Revenues	50.9	52.8	47.8	52.9	52.9
Non-Respendable Revenues					
Food Safety			0.1	0.8	0.8
Animal Health			-	-	-
Plant Protection			-	-	-
Total Non-Respendable Revenues	0.4	0.2	0.1	0.8	0.8
Total	51.3	53.0	47.9	53.7	53.7

Notes: As a result of the change in business line structure, the business line breakdown is not available for years prior to 2001-2002.

* Under the Planned Spending column for 2001-2002, Respendable Revenues in Food Safety includes \$0.4M of Crown Assets Disposals.

Table 5 - Statutory Payments

Statutory Transfer Payments are included in Financial Table 6.

Table 6 - Transfer Payments

Transfer Payments by Business Line (millions of dollars)					
	Actual 1999-2000	Actual 2000-2001	2001-2002		
			Planned Spending	Total Authorities	Actual
CONTRIBUTIONS					
Food Safety					
Contributions in support of those initiatives that contribute to the improvement, advancement and promotion of the federal inspection system.	0.1	0.4	0.1	1.0	1.0
	0.1	0.4	0.1	1.0	1.0
Animal Health					
Contribution to the provinces in accordance with the Rabies Indemnification Regulations and the Anthrax Indemnification Regulations of the Governor in Council of amounts not exceeding two-fifths of the amounts paid by the provinces to owners of animals dying as a result of rabies or anthrax infection.	-	0.1	0.1	-	-
(S) Compensation payments in accordance with requirements established by Regulations under the <i>Health of Animals Act</i> and the <i>Plant Protection Act</i> , and authorized pursuant to the <i>Canadian Food Inspection Agency Act</i> .	3.9	15.3	1.5	26.5	26.5
	3.9	15.4	1.6	26.5	26.5
Plant Protection					
(S) Compensation payments in accordance with requirements established by Regulations under the <i>Health of Animals Act</i> and the <i>Plant Protection Act</i> , and authorized pursuant to the <i>Canadian Food Inspection Agency Act</i> .	-	-	-	0.6	0.6
	-	-	-	0.6	0.6
Total Statutory Transfer Payments	3.9	15.3	1.5	27.1	27.1
Total Voted Transfer Payments	0.1	0.5	0.2	1.0	1.0
Total Transfer Payments	4.0	15.8	1.7	28.1	28.1

Notes: As a result of the change in business line structure, the business line breakdown is not available for years prior to 2001-2002.

The Agency has experienced an increase of \$25.6M in Statutory Compensation Payments. These costs have escalated dramatically in recent years due to serious outbreaks in Scrapie and Tuberculosis; in the past 3 years, Chronic Wasting Disease has claimed numerous elk in the province of Saskatchewan. In addition, new legislation under the *Plant Protection Act* has allowed for approximately \$0.6M in payments due to the Plum Pox Virus and Potato Wart disease.

Table 7 - Capital Projects

Capital Projects by Business Line (millions of dollars)						
	Current Estimated Total Cost	Actual 1999-2000	Actual 2000-2001	2001-2002		
				Planned Spending	Total Authorities	Actual
Food Safety				7.5	10.6	8.3
Animal Health				5.5	2.9	-
Plant Protection				1.8	2.3	-
Total		4.5	7.6	14.8	15.8	8.3

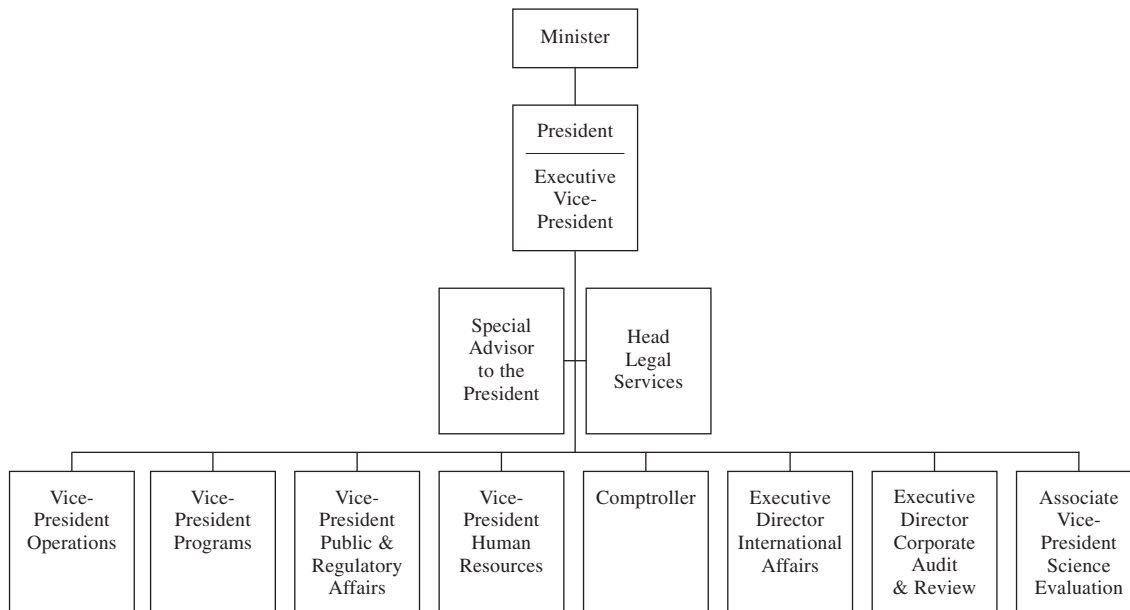
Note: As a result of the change in business line structure, the business line breakdown is not available for years prior to 2001-2002.

Annex 2: Agency Organization

CFIA's headquarters is in the National Capital Region. The Agency manages the delivery of its mandate through four operational areas – which collectively cover the entire country. Reporting to the area offices are 18 regional offices, 185 field offices, hundreds of offices in non-government establishments (i.e., processing facilities). CFIA also has 21 laboratories and research facilities across the country.

The Agency's workforce is comprised of 5467 highly-trained employees including highly trained front-line inspectors, veterinarians, scientists, support staff, computer systems specialists, communications experts and managers. The CFIA is led by a President who reports to the Minister of Agriculture and Agri-Food.

Canadian Food Inspection Agency Organizational Structure



Annex 3: Contacts for Further Information

For more information or additional copies of this publication, you can write to us or send a fax to the Canadian Food Inspection Agency office in your area, or you can visit our Web site at: www.inspection.gc.ca

AREA CONTACTS

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Annex 4: Legislation Administered and Associated Regulations

The CFIA, which reports to the Minister of Agriculture and Agri-Food, is responsible for the administration and enforcement of the following:

Acts

Agriculture and Agri-Food Administrative Monetary Penalties Act	S.C. 1995, c. 40
Canada Agricultural Products Act	R.S., c. 20 (4th supp)
Canadian Food Inspection Agency Act	S.C., 1997, c. 6
Consumer Packaging and Labeling Act ²⁰	R.S., c. C-38
Feeds Act	R.S. 1985, c. F-9
Fertilizers Act	R.S., 1985, c. F-10
Fish Inspection Act	R.S., 1985, s. F-12
Food and Drugs Act ²¹	R.S., c. F-27
Health of Animals Act	S.C. 1990, c. 21
Meat Inspection Act	R.S., c. 25, (1st supp.)
Plant Breeders' Rights Act	S.C. 1990, c. 20
Plant Protection Act	S.C. 1990, c. 22
Seeds Act	R.S., c. S-8

Orders

Golden Nematode Order
Reportable Diseases Orders
Seeds Variety Order
Weed Seeds Order

Ministerial Notices

Canadian Food Inspection Agency Fees Notice

²⁰ The CFIA is responsible for only the administration and enforcement of those provisions of the Consumer Packaging and Labelling Act as they relate to food as defined in the Food and Drugs Act (SI/99-34; P.C. 1999-534)

²¹ The CFIA is responsible for enforcement and administration of food (par. 11(3)(a) of the Canadian Food Inspection Agency Act), other than provisions related to public health, safety or nutrition (par. 11(3)(b) of the Canadian Food Inspection Agency Act).

Regulations

Agriculture and Agri-Food Administrative Monetary Penalties Regulations
Anthrax Indemnification Regulations
Egg Regulations
Eggplants and Tomatoes Production (Central Saanich) Restriction Regulations
Compensation for Destroyed Animals Regulations
Consumer Packaging and Labeling Regulations
Dairy Products Regulations
Export Inspection & Certification Exemption Regulations
Feeds Regulations, 1983
Fertilizers Regulations
Fresh Fruit and Vegetable Regulations
Fish Inspection Regulations
Food and Drug Regulations
Hatchery Exclusion Regulations
Health of Animals Regulations
Honey Regulations
Honeybee Importation Prohibition Regulations
Licensing and Arbitration Regulations
Livestock and Poultry Carcass Grading Regulations
Maple Products Regulations
Meat Inspection Regulations, 1990
Plant Breeders' Rights Regulations
Plant Protection Regulations
Potato Production and Sale (Central Saanich) Restriction Regulations
Processed Egg Regulations
Rabies Indemnification Regulations
Processed Products Regulations
Reportable Diseases Regulations
Seeds Regulations

Statutory Reports

Parliament requires that the following reports be tabled: CFIA Annual Report and CFIA Corporate Business Plan (at least once every five years).