



Canadian Food
Inspection Agency

Agence canadienne
d'inspection des aliments

Report on Plans and Priorities

2003-2004



Canada

Table of Contents

Section I: Messages	1
Minister's Message	1
Management Representation	2
Section II: Raison d'être	3
Section III: Delivering Results for Canadians	4
Key to Success	4
Sound Science	5
Effective Inspection Delivery	5
Strong Partnerships	6
The CFIA's Business Lines	9
Section IV: Plans and Priorities	12
Planning Context	12
Planning Overview	14
Planning Specifics by Business Line	15
Food Safety	15
Animal Health	18
Plant Protection	22
Section V: Management Improvement Agenda	26
Human Resources Initiatives	26
Modern Management Initiatives	27
Section VI: Organization	29
Strategic Outcomes and Business Lines	29
Accountability	30
CFIA Planned Spending	31
Section VII: Annexes	32
Financial Tables	32
Major Regulatory Initiatives	37

Section I: Messages

Minister's Message

I am pleased to present the Canadian Food Inspection Agency's (CFIA) *Report on Plans and Priorities* for 2003–04. This plan focusses on the Agency's ongoing pursuit of excellence in delivering its mandate and in protecting Canadians from preventable health risks, providing a fair and effective regulatory regime that contributes to the growth of Canada, contributing to sustainable natural resources, and promoting the security of Canada's food supply.

As the federal government's science-based regulator for food, animals and plants, the CFIA is committed to its key role in enhancing the safety of the food supply. Canada's safe, healthful food is a result of the efforts of all levels of government and of producers, processors, distributors, and consumers alike. The activities of CFIA personnel in managing food safety risks and responding to food safety emergencies contribute significantly to public health. Through its focussed inspection activities, the Agency continues to verify compliance with federal acts, regulations, and standards. It remains committed to working with stakeholders to adopt risk-based control measures and to providing effective, rapid emergency response. As a supportive player, the CFIA partners, in a regulatory capacity, with Agriculture and Agri-Food Canada in promoting Canada's new Agricultural Policy Framework.

The CFIA remains steadfast in its commitment to safeguard Canada's most significant environmental and economic assets — the animal and plant resource bases — from serious diseases and pests. The Agency's animal health and plant protection specialists and inspectors remain vigilant in their work to prevent foreign animal diseases and invasive plant pests from affecting Canada's livestock, crops, and forests. The commitment doesn't end there: CFIA personnel verify the safety, efficacy, and quality of feeds, seeds, and fertilizers — input commodities integral to protecting the animal and plant resource bases and important to safeguarding the food supply.

Canada must be prepared for, and able to respond to, emergencies that threaten food safety and animal and plant health. The CFIA's extensive surveillance and diagnostic capabilities, strengthened border controls, coordinated communication, and emergency preparedness exercises will help to safeguard our country's security and to protect the long-term well-being of all Canadians.



The Honourable Lyle Vanciel, PC, MP
Minister of Agriculture and Agri-Food

Management Representation

Report on Plans and Priorities 2003–2004

2

I submit, for tabling in Parliament, the 2003–2004 Report on Plans and Priorities (RPP) for the Canadian Food Inspection Agency.

This document has been prepared based on the reporting principles and disclosure requirements contained in the *Guide to the Preparation of the 2003–2004 Report on Plans and Priorities*:

- It accurately portrays the organization's plans and priorities.
- The planned spending information in this document is consistent with the directions provided in the Minister of Finance's Budget and by Treasury Board Secretariat.
- Is comprehensive and accurate.
- Is based on sound underlying agency information and management systems.

The Planning, Reporting and Accountability Structure (PRAS) on which this document is based has been approved by Treasury Board Ministers and is the basis for accountability for the results achieved with the resources and authorities provided.



Richard B. Fadden
President
Canadian Food Inspection Agency

March 7, 2003



Section II: Raison d'être

The Canadian Food Inspection Agency (CFIA) is mandated to safeguard Canada's food supply and the plants and animals upon which safe and high-quality food depends. Accordingly, the CFIA is the Government of Canada's key science-based regulator for the following:

Food Safety

Animal Health

Plant Protection

3

In carrying out this mandate, the CFIA directly contributes to the Government of Canada's priorities as well as the public good.

GOVERNMENT OF CANADA'S PRIORITY

- PUBLIC HEALTH
- ECONOMIC GROWTH
- ENVIRONMENTAL PROTECTION
- PUBLIC SECURITY

THE CFIA'S CONTRIBUTION

- PROTECTION FROM PREVENTABLE PUBLIC HEALTH RISKS
- A FAIR AND EFFECTIVE REGULATORY REGIME
- PROTECTION OF PLANT AND ANIMAL RESOURCES
- SECURITY FROM POTENTIAL THREATS TO THE FOOD SUPPLY



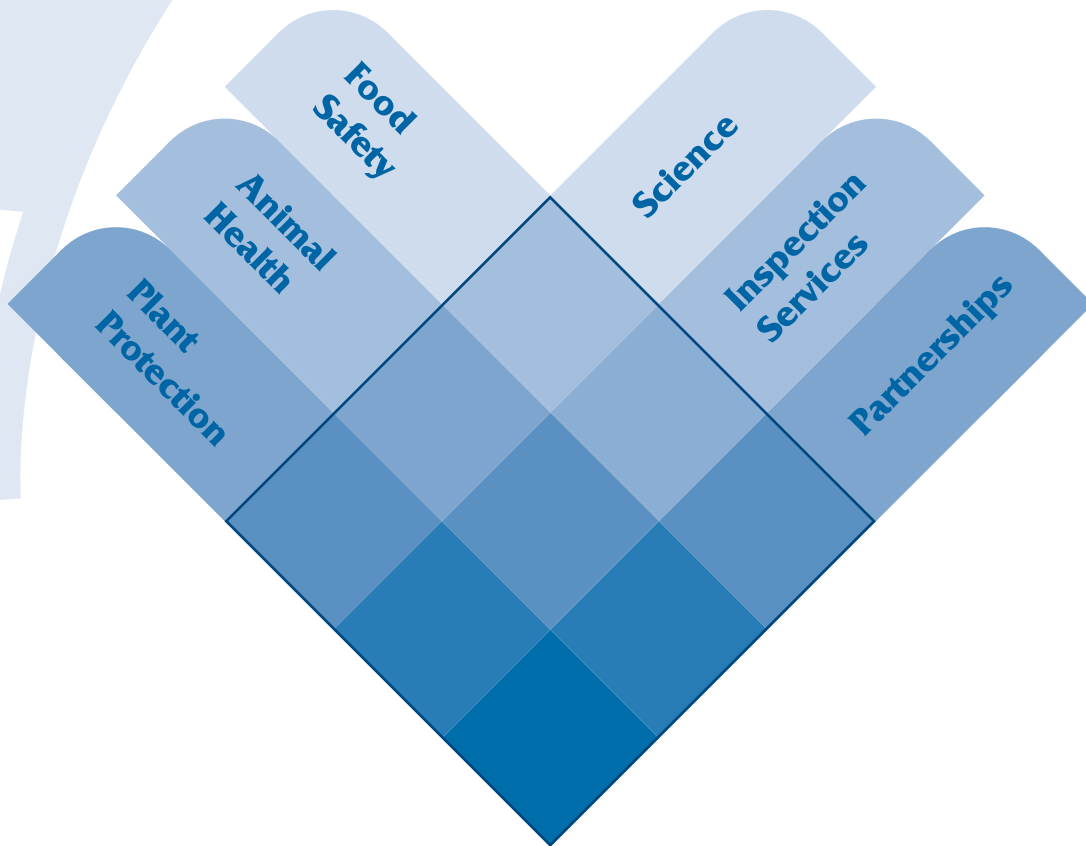
Section III: Delivering Results for Canadians

4

Key to Success

The CFIA's workforce includes over 5 300 dedicated professionals working across Canada to regulate food safety, animal health and plant protection. Key to their

success are three interrelated and integral factors — sound science, the delivery of effective inspection services and the fostering of strong partnerships.



**CANADIAN FOOD
INSPECTION AGENCY**

Sound Science

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 the regulation of biotechnology-derived products. The CFIA uses science as an essential component of its regulatory decision making. The specific kinds of science that the CFIA needs and uses to support its business lines include the following:

- laboratory science — testing, research and technology development;
- risk assessment — evaluating the probability and potential impact of threats;
- surveillance — collection, analysis and interpretation of data;
- analysis of scientific research data and information in order to provide science advice and identify emerging issues; and
- regulatory research — support for studies that aid in the evaluation of potential environmental, human and animal and plant health impacts of agricultural products, including those derived from biotechnology.

Effective Inspection Delivery

The CFIA is responsible for the administration and/or enforcement of 13 federal acts and their respective regulations. The Agency verifies industry's compliance with these laws through the delivery of inspection and other related services — ranging from product and establishment inspections to export certification and on-site safety assessments of foreign firms. CFIA inspectors monitor the safety and quality of agricultural, fish and food products made in Canada and oversee the arrival of plants, animals and foods imported from other countries. Critical to the effective delivery of the CFIA's

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



mandate is the ongoing design, development and review of inspection-related tools and processes. This includes ongoing review of regulations and policies. (See Section 7.2 for additional details.) It also includes constant review of new science-based inspection methodologies, which are increasingly oriented toward government audit or verification of industry activities. This approach requires continued development of strong compliance and enforcement tools to ensure that Canadian standards are rigorously and effectively enforced.

Strong Partnerships

The CFIA's broad mandate is delivered in a complex multi-jurisdictional environment that requires the maintenance of strong partnerships with other federal government departments, as well as provincial, territorial and municipal authorities. All share responsibility for setting and/or enforcing standards that support the integrity of Canada's food safety, animal health and plant protection systems.

The CFIA collaborates with federal government partners to develop regulatory policies, set standards and develop technical agreements for the international movement of products. The CFIA also works with its federal partners to conduct scientific risk assessments, carry out surveillance and intelligence gathering and foster co-operation in research.

Specifically in the area of food safety, 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 and the development of regulations and policies related to food labelling and compositional standards.

THE CFIA'S KEY FEDERAL PARTNERS

INCLUDE:

- ▶ HEALTH CANADA
- ▶ AGRICULTURE AND AGRI-FOOD CANADA
- ▶ DEPARTMENT OF FISHERIES AND OCEANS CANADA
- ▶ DEPARTMENT OF NATURAL RESOURCES
- ▶ DEPARTMENT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE
- ▶ ENVIRONMENT CANADA
- ▶ CANADA CUSTOMS AND REVENUE AGENCY
- ▶ OFFICE OF CRITICAL INFRASTRUCTURE AND EMERGENCY PREPAREDNESS
- ▶ CANADIAN FORESTRY SERVICE
- ▶ CANADIAN GRAINS COMMISSION



Further, the CFIA works with Agriculture and Agri-Food Canada and other federal, provincial and territorial partners and stakeholders in support of the implementation of the Agricultural Policy Framework, as a number of elements of this framework fall directly within the CFIA's mandate. These elements include enhancement of food safety and quality through regulatory harmonization within Canada and abroad and strengthening food safety systems along the food chain — from on-farm food safety for producers through to HACCP systems for industry.

With provincial and territorial governments, the CFIA coordinates activities that facilitate compliance with both federal and provincial regulations. Coordination of emergency response services (e.g. food safety investigations and recalls) nationwide is also a critical component of these partnerships.

The CFIA also works closely with its foreign counterparts. For example, on issues such as food safety, animal health and plant protection, Canada, the United States, Australia and New Zealand share many similar objectives. Canada exchanges information and views with these and other countries in advance of relevant international meetings in order to best advance its interests. In addition, given the shared border, the large volume of trade and the similarities in regulatory systems, the CFIA works closely with all of its U.S. counterparts. Finally, the CFIA works with its foreign counterparts to enter into technical agreements to facilitate the international movement of products.

The scientific community is another of the CFIA's key partners. The CFIA regularly seeks input from scientific experts when developing regulations and policies and identifying strategic directions in scientific research. The Agency is actively involved in contributing its knowledge to the greater scientific community.

One example of the success of these efforts is the creation of the Research Partnership Strategy, partly funded by the CFIA, which encompasses research and technology development, and collaboration among academic institutions, other levels of government, foreign regulatory agencies and industry.

The CFIA also recognizes the critical importance of working closely with its broad range of stakeholders. For that reason, the CFIA regularly consults these stakeholders, including its regulated parties, in the design and implementation of regulatory policies, programs and activities. The Agency seeks to ensure that regulated parties understand and are committed to Canada's regulations and policies. Similarly, the CFIA works with other stakeholders, such as associations representing consumers and public health, animal welfare and environmental interests, to identify and address emerging food safety and labelling concerns as well as to review, develop and implement animal health and plant protection policies and programs.



Working globally in an international regulatory framework

International food safety, animal and plant health, and environmental agreements of rules and standards form the basis for the regulation of trans-boundary movement of products that may pose a risk to food, animals and plants. Ensuring that these agreements develop in a coherent, effective, science-based and transparent manner is important to all Canadians: Canadian consumers benefit by having access to safe, high-quality products; Canadian producers are provided with risk-based regulation of markets; and the Canadian environment remains protected.

The CFIA strives to ensure that the international framework, as it relates to the Agency's mandate and statutory responsibilities, is strong, coherent and science-based. In this regard, the CFIA leads Canada's participation in a number of international regulatory fora such as the International Plant Protection Convention, the Office International des Épidémiologies, the World Trade Organization and NAFTA Sanitary and Phytosanitary Committees. The CFIA co-leads, with Health Canada, the government's participation in the Codex Alimentarius Commission; further, the Agency is an active participant in a variety of other international fora such as the Asia-Pacific Economic Cooperation, the Organisation for Economic Cooperation and Development and the Cartagena Protocol on Biosafety.

Participation in these international agreements is guided by experiences and requirements here at home. Canada's domestic situation is used to influence the development of relevant international agreements, arrangements and standards, which in turn impact on the development of domestic measures. In support of Canada's regulatory objectives, the CFIA negotiates and enters into arrangements for the implementation of technical requirements for the international movement of products subject to CFIA or counterpart foreign regulation. The CFIA delivers these arrangements on behalf of Canada.

Recognizing the highly integrated nature of the Canadian and U.S. economies and the similarities between our regulatory objectives and systems, the CFIA must also maintain and enhance the traditional regulatory co-operation that has existed between Canada and the U.S. in this security-focussed era.

In developing effective, coherent regulatory frameworks for Canadians, the CFIA's federal partners include Health Canada, Agriculture and Agri-Food Canada, the Department of Foreign Affairs and International Trade and Environment Canada.



The CFIA's Business Lines

Sound science, effective inspection delivery and strong partnerships ultimately allow the CFIA to deliver results to Canadians in each of its three business lines:

- Food Safety
- Animal Health
- Plant Protection

CANADA'S FOOD INDUSTRY CONTRIBUTES
APPROXIMATELY \$45 BILLION ANNUALLY TO
THE CANADIAN ECONOMY.

Food Safety

Food safety, which contributes to public health, is the CFIA's top priority. Enhanced food safety protects the health of Canadians by preventing food-borne illness. It also saves employees and employers millions of dollars each year, contributes to a sustainable food supply and strengthens Canada's excellent national and international reputation for safe, quality products.

The CFIA develops and delivers programs and services that are designed to protect Canadians from preventable food safety risks, to ensure that food safety emergencies are effectively managed and that the public is aware of and contributes to food safety. Primarily, this entails verifying that food manufacturers, importers and distributors comply with federal food safety regulations. The CFIA also works to ensure that food imports and exports meet domestic and international food safety requirements. In carrying out its food safety mandate, the CFIA works closely with Health Canada, the department responsible for food safety policy and standards as well as Agriculture and Agri-Food Canada in support of the Agricultural Policy Framework. In addition, the CFIA also works closely with the Department of Fisheries and Oceans and provincial and territorial governments. The CFIA, in partnership with Health Canada and others, promotes and develops international science-based food safety standards within the Codex Alimentarius Commission.



Animal Health

Protection of the animal livestock sector is essential for Canadian food production. Animal diseases can threaten the health of Canadians. Further, the livestock sector is a significant part of Canada's food-manufacturing industry, contributing almost half of total farm receipts in Canada. Animal diseases can therefore cause multi-million-dollar losses. The marketability of our animals, their products and by-products is significantly enhanced by Canada's reputation for being free from certain serious diseases.

The CFIA's animal health programs and services are designed to prevent significant 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 reportable animal disease outbreaks occur, the CFIA acts to eradicate or control them. To keep the food chain secure, the CFIA regulates veterinary biologics and animal feeds. The Agency also conducts regular animal disease surveillance to prevent serious threats to livestock. In addition, the CFIA assesses the disease status of other countries, develops import certification requirements and carries out inspections at international border points to guard against the entry of foreign animal diseases.

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.

The CFIA leads Canada's participation in international science-based standard setting for animal health requirements through its participation in the Office International des Épizooties.

Plant Protection

Canada's plant resource base, which includes forests, grain, fruit and vegetable crops, and nursery and flower crops, provides employment to over one million Canadians and generates annual revenues valued at approximately \$85 billion. Protection of this vital environmental and economic resource from disease and invasive pest species is critical to Canada. The CFIA's activities in this area help protect Canadian agricultural crops and forests, conserve plant biodiversity and contribute to the sustainability of agricultural and forestry industries.

The CFIA's plant protection programs and services are designed to prevent foreign plant pests from entering Canada and to control the spread of quarantine pests, such as plum pox virus, within the country. The Agency verifies that seeds and fertilizers, both domestically produced and imported, comply with federal standards for environment, safety, product and process. 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. CFIA specialists address safety issues related to biotechnology-derived plant material. The CFIA also represents Canada in international organizations, such as the International Plant Protection Convention, in support of the development of international science-based standards to control plant pests.

The CFIA in Action

Protecting Public Health — The CFIA contributes to the health of Canadians through programs and activities designed to identify and manage food safety risks, respond to food safety emergencies, carry out emergency food recalls and prevent the spread of animal diseases to humans. The CFIA also provides Canadians with information, such as food safety fact sheets, that contribute to a healthy lifestyle. The CFIA conducts many of these activities in partnership with Health Canada and provincial, territorial and municipal health authorities.

Contributing to Economic Growth — The CFIA contributes to a sound economy by providing an effective regulatory regime for food, animals and plants. The integrity of the CFIA's regulatory programs, inspection and certification activities promotes consumer and market confidence in the safety and quality of Canadian agricultural, forestry, fish, seafood and agri-food products and underpins the movement of goods, both imports and exports, across our borders.

Protecting Canada's Environment — CFIA programs contribute to a healthy environment and protect Canadian biodiversity by controlling invasive species, regulating agricultural products of biotechnology and by protecting Canada's livestock, crops and forests from regulated pests and diseases.

Contributing to Public Security — The CFIA's extensive network of laboratories and scientific expertise, surveillance and diagnostic capabilities, and its emergency planning and preparedness activities allow the Agency to be a key contributor to public safety and agri-food security.

Regulating Our Borders — At border crossings and seaports, CFIA inspectors check shipments from abroad — examining plants, animals, food and packaging materials. At airports, CFIA inspectors and detector dogs screen personal baggage for undeclared food, plants or animals that can harbour diseases or pests. Together with the Canada Customs and Revenue Agency, the Department of Foreign Affairs and International Trade, Citizenship and Immigration Canada and other federal agencies, the CFIA forms part of Canada's border defence team.



Section IV: Plans and Priorities

12

Planning Context

The CFIA's plans and priorities are influenced by a number of challenges and risks that impact on the delivery of its food safety, animal health and plant protection business lines. The Agency addresses these challenges and strives to reduce risks as part of its overall planning process. Some key challenge areas which have been identified in establishing the CFIA's 2003–04 program priorities are as follows:

Increasing globalization of trade — The volume and diversity of global trade in food, plant and animal products is increasing. For example, the approximate value of imported food, plant and animal products regulated by the CFIA has increased from \$18.5 billion in 1997 to \$23.8 billion in 2001. During the same period, exports rose from \$43.3 billion to \$50 billion. While this trade has benefits for consumers and the economy, it also increases the risk that unsafe food, foreign pests or diseases might enter Canada through shipments of imported goods. Should hazardous products, pests or diseases enter the country, the health of Canadians or our environment could be affected. A strong regulatory system that inspects and requires certification of goods

entering Canada significantly reduces these risks.

Canada's exports of food, animal and plant products are also increasing. These exports are often subject to the requirements of the importing countries. As such, it is critical that the CFIA maintain its capacity to ensure that these products are regulated and certified free of certain diseases and pests.

Increasing demands for CFIA services — The volume and diversity of imported products, coupled with the growth of our food industries, increase the demand for CFIA inspection and certification services. The CFIA must also address the challenge of continuing to monitor and assess the compliance of increasing numbers of registered establishments with federal food safety legislation. Consumer expectations regarding food safety and quality are changing. For example, food labelling programs and policies must adapt to address consumers' concerns and needs for information in areas such as nutrient content and methods of production (i.e. organic, grain-fed). To address increased demands for agency services, the CFIA's strategic planning framework will strive to balance consumer and industry interests and to ensure that resources are allocated to areas of highest risk.



Addressing threats to the safety of the food supply —

Prevention of the inadvertent or deliberate spread of food pathogens, toxic substances, pests and diseases that could pose a threat to human health or our environment is of paramount importance to the CFIA. The Agency, in co-operation with other levels of government, must increase its level of emergency preparedness, exercise emergency plans and procedures and have programs in place to assist Canada in recovering from emergencies.

Enhancing scientific capacity — The CFIA's networks of laboratories and scientific expertise are critical to the Agency's ability to regulate and adapt to new technologies, respond to emerging pathogens and assess the risks posed by foreign animal diseases or invasive species. The CFIA relies on sound science as a basis for its program and policy development. As a result, the CFIA must continue to invest in research that will support the delivery of its mandate as well as to address the challenge of communicating scientific uncertainty. At the same time, the CFIA must increase the transparency of its regulatory decision making.

Renewing our workforce — The CFIA operates in a competitive environment with respect to recruiting and retaining the right talent. Trends which impact on the Agency's human resource management strategies include changing demographics and the movement towards a knowledge-based economy. Both of these factors emphasize the need for the CFIA to focus on succession planning and training as key elements of its workforce renewal.

Planning Overview

The following is an overview of the CFIA's 2003–04 plans and priorities:

14

STRATEGIC OUTCOMES

KEY RESULTS

Food Safety

- | | |
|--|--|
| <ul style="list-style-type: none"> • Food is safe and suitable for consumption • A fair and effective regulatory regime for food • Public and market are confident of the safety of Canadian food | <ul style="list-style-type: none"> • Industry adopts risk management practices. • Food meets domestic and trading partner requirements. • Food safety emergencies and incidents are effectively managed. • Industry complies with regulations. • Stakeholders understand and are committed to regulations and policies. • Public is aware of and contributes to food safety. |
|--|--|

Animal Health

- | | |
|--|--|
| <ul style="list-style-type: none"> • Animal products are safe and of high quality • Transmission of animal diseases to humans is controlled • The Canadian animal resource base is protected from regulated diseases • A fair and effective regulatory regime for animals and their products | <ul style="list-style-type: none"> • Entry into Canada of regulated diseases is mitigated. • Spread of regulated animal diseases is mitigated. • Animal health emergencies and incidents are effectively managed. • Canadian animals and their products meet domestic and international animal health requirements. • Industry complies with regulations. • Stakeholders understand and comply with regulations and policies. • Public is aware and contributes to animal health. |
|--|--|

Plant Protection

- | | |
|---|---|
| <ul style="list-style-type: none"> • Agricultural and forestry products are safe and of high quality • The Canadian plant resource base is protected from regulated pests and diseases • A fair and effective regulatory regime for agricultural and forestry products | <ul style="list-style-type: none"> • Entry into Canada of regulated diseases and pests is managed. • Spread of regulated diseases is mitigated. • Plant protection emergencies and incidents are effectively managed. • Plants and plant products meet domestic and international plant protection requirements. • Industry complies with regulations. • Stakeholders understand and are committed to regulations and policies. • Public is aware and contributes to plant protection. |
|---|---|



Planning Specifics by Business Line

The CFIA will continue to focus its efforts on a number of ongoing core activities integral to meeting its mandate with regard to safe food, animal health and plant protection. In addition, the Agency is committed to a number of priorities that are in direct response to its current and projected operating environment.

The following section provides details, by business line, of the CFIA's planned spending, ongoing core activities and priorities for the planning period. Information on how performance assessments will be conducted is also included for each business line. One of the CFIA's corporate priorities is to enhance its ability to assess performance. More details on the performance management framework initiative is presented in Section V of this report.

Food Safety

Food Safety — Planned Spending

	Forecast Spending 2002-03	Planned Spending 2003-04	Planned Spending 2004-05	Planned Spending 2005-06
Net Planned Spending* (in millions of dollars)	303.5	278.2	314.5	314.5
Full Time Equivalents	3,525	3,578	3,578	3,578

* Incremental funding announced in the Federal Budget 2003 has not yet been allocated to the CFIA's business lines.

Core Activities: The CFIA is responsible for monitoring compliance with federal legislation by those businesses engaged in producing and distributing federally regulated food and food products. The CFIA will continue to work with a broad range of stakeholders to build better science-based management practices, inspect

FOOD SAFETY PROGRAMS

- ▶ MEAT HYGIENE
- ▶ FISH AND SEAFOOD
- ▶ DAIRY
- ▶ EGG
- ▶ HONEY
- ▶ FRESH FRUIT AND VEGETABLES
- ▶ PROCESSED PRODUCTS
- ▶ FOOD SAFETY INVESTIGATION
- ▶ FAIR LABELLING PRACTICES

establishments and test domestic and imported food products to assess compliance with federal acts and regulations. The Agency will remain prepared to respond to food emergencies, advise the public of food recalls and monitor the effectiveness of the food industry's recall procedures. The CFIA will also continue to investigate complaints and respond to incidents such as tampering.

The CFIA protects Canadians from unfair market practices on an ongoing basis by enforcing the fraud and labelling provisions of the *Food and Drug Regulations* and the *Consumer Packaging and Labelling Regulations*. The CFIA also enforces these provisions in relation to both imported and domestically produced food products at the manufacturing, import and retail levels of trade.

When necessary, the CFIA will continue to take enforcement actions which includes seizing, removing and recalling products, and/or resorting to legal action such as prosecution to achieve compliance.



Food Safety Priorities:

16

KEY RESULTS

PRIORITIES

Food Industry adopts risk management practices

- Development and adoption of risk management strategies for emerging hazards and new technologies:
 - Expansion or implementation of hazard/pathogen (e.g. E.coli 0157 H:7 in beef) reduction initiatives.
- Development or enhancement of food strategies, such as:
 - Development of HACCP-based inspection for hog slaughter;
 - Implementation of mandatory FSEP for registered meat establishments;
 - Implementation of Canadian Partners in Quality Program; and
 - Recognition of on-farm food safety programs, as part of the Government of Canada's Agricultural Policy Framework.

Food meets domestic and trading partner requirements

- Expansion and implementation of import policy:
 - Development and provision of good importing practices to importers.
- Enhanced focus on international collaboration and involvement:
 - Assessment of foreign exporting countries' capacity to meet Canadian regulatory requirements;
 - Strengthening of collaborative relationships with other national governments, including emphasis on shared information and intelligence gathering; and
 - Provision of input and advice on international science-based standards.

Food safety emergencies and incidents are effectively managed

- Comprehensive assessment of potential threats related to agri-food terrorism.
- Development and testing of a food safety emergency preparedness and response plan in collaboration with Health Canada and other provincial and territorial agencies.
- Enhanced co-operation with the U.S. on emergency preparedness and the implementation of food security measures.



KEY RESULTS

PRIORITIES

Industry complies with regulations

- Development and implementation of innovative compliance and enforcement approaches to address both new and existing regulatory requirements.
- Enhancement of inspection, investigation and enforcement capacities of personnel:
 - Updating of inspection and laboratory procedures and manuals to improve effectiveness and consistency; and
 - Strengthening of training programs for inspection staff.
- Increased co-operation and collaboration among relevant federal/provincial/territorial agencies to improve compliance in the non-registered sector.

Stakeholders understand and are committed to regulations and policies

- Strengthening of consultative relationships with stakeholders to encourage collaborative involvement in developing and implementing new and existing food safety and labelling requirements.

Public is aware of and contributes to food safety

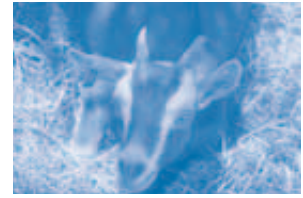
- Development of educational materials in collaboration with the Canadian Partnership for Consumer Food Safety.
- Evaluation and appropriate implementation of labelling requirements as a public health tool to provide better information to Canadians (in consultation with Health Canada).
- Development and communication of food safety and labelling messages to consumers (e.g. allergy alerts).

Performance Assessment: In reporting to Canadians on its performance, the CFIA will measure the following:

- Rate of compliance for federally registered establishments and food products (domestic, imports and exports);
- Number of federally registered establishments with implemented HACCP programs;
- Food recalls and the CFIA's response to emergencies;

- Actions taken in cases of non-compliance; and
- Level of public awareness (e.g. results of surveys and enquiries).

In addition, other performance information will be collected from external sources, such as assessments conducted by Health Canada, audits conducted by the Office of the Auditor General and reviews by foreign regulatory organizations.



Animal Health

Animal Health — Planned Spending

	Forecast Spending 2002–03	Planned Spending 2003–04	Planned Spending 2004–05	Planned Spending 2005–06
Net Planned Spending* (in millions of dollars)	105.9	82.4	92.6	92.6
Full Time Equivalents	991	963	963	963

* Incremental funding announced in the Federal Budget 2003 has not yet been allocated to the CFIA's business lines.

Core Activities: To protect public health, the CFIA conducts inspections and has monitoring and testing programs in place to prevent and control the spread of diseases that are transmissible from animals to humans.

Protecting the animal resource base begins long before food animals are marketed. The CFIA will continue to assess the disease status of other countries, develop import certification requirements and conduct inspection of imported animals at points of entry

ANIMAL HEALTH PROGRAMS

- ▶ ANIMAL HEALTH
- ▶ FEED

(e.g. airports, seaports and border crossings) to guard against the entry of foreign animal diseases. The Agency will also continue to act to prevent the introduction and spread of regulated domestic animal diseases through surveillance and eradication programs. The CFIA will regulate the humane transportation of animals and help to protect the quality of animal production inputs by regulating animal feeds and veterinary biologics. Moreover, the CFIA will continue to enhance its emergency preparedness to respond to major disease outbreaks. Finally, the Agency will continue to investigate cases of non-compliance and, when necessary, take enforcement actions including prosecutions.



Animal Health Priorities:

KEY RESULTS

PRIORITIES

Entry into Canada of regulated diseases is mitigated

- Increased emphasis on risk assessment and mitigation, such as:
 - Development of enhanced intelligence gathering resources; and
 - Conduct of risk pathway analysis and assessments of country of origin for imports.
- Development of innovative inspection and enforcement strategies, such as:
 - Development of strategies expressly tailored to consider agri-terrorist threats;
 - Conduct of targeted inspections of high-risk imports (e.g. containers, international garbage and military equipment); and
- Development of new enforcement tools.

Spread of regulated animal diseases is mitigated

- Enhanced emphasis on intelligence and information gathering, such as:
 - Strengthening of early detection efforts through the efficient and rapid sharing of relevant information; and
 - Continued direction of resources towards traceability and identification programs.

Animal health emergencies and incidents are effectively managed

- Increased recognition of the importance of improving preparedness, such as:
 - Conduct simulations in collaboration with the relevant agencies to enhance preparedness;
 - Conduct of timely investigations and epidemiological assessments;
 - Further development of regionalisation, Geographic Information Systems and data management systems; and
 - Assurance of the availability of tools critical to effective intervention and prevention strategies (e.g. vaccination strategies and approvals).

Animal Health Priorities: (continued)

20

KEY RESULTS	PRIORITIES
Canadian animals and their products meet domestic and international animal health requirements	<ul style="list-style-type: none"> • Development of programs and activities to address domestic requirements, such as: <ul style="list-style-type: none"> – Achievement of established surveillance targets; and – Comprehensive review of scope and oversight of accredited veterinary activities. • Development of programs and activities to address international requirements, such as: <ul style="list-style-type: none"> – Enhancement in the effectiveness of negotiation, communication and implementation of science-based requirements; and – Adoption of an industry export quality assurance program.
Industry complies with regulations	<ul style="list-style-type: none"> • Continued development of positive and effective relationships with industry, such as: <ul style="list-style-type: none"> – Enhanced communication and consultation to ensure proper understanding; – Adoption by industry of good management practices for biosecurity, record keeping and identification; – Implementation of measures to improve consistency in compliance and enforcement efforts across all sectors; – Increased emphasis on the assurance of the completeness of product registration submissions for vaccines and feeds; and – Renewed commitment to the active investigation of complaints. • Development of programs to increase regulatory capacities and responsibilities, such as: <ul style="list-style-type: none"> – Implementation of targeted investigation and verification activities with emphasis on follow-up corrective actions (feed/rendering for transmissible spongiform encephalopathies); – Development and implementation of a medicated feed regulatory program, as part of the Government of Canada's Agricultural Policy Framework; – Development and implementation of programs to deal with products or modern biotechnology (e.g. transgenic animals and novel feed products).



KEY RESULTS

PRIORITIES

Stakeholders understand and are committed to regulations and policies

- Cultivation of collaborative relationships with relevant stakeholders, such as:
 - Development and maintenance of MOUs with provincial agencies on disease information sharing;
 - Development of a clear statement of the CFIA's role in the regulating the pet food industry;
 - Strengthening of collaborative research relationships with universities;
 - Conduct of inclusive consultations; and
 - Development of focused communications strategies to promote compliance.

Public is aware of and contributes to animal health

- Implementation of targeted communications (e.g. Tourism Canada, flight videos, passport inserts).
- Implementation of detector dog and visible awareness programs at airports.
- Development of programs to increase awareness of public health issues related to animal health.

21

Performance Assessment: In reporting to Canadians on its performance, the CFIA will measure the following:

- Rate of compliance for facilities, animals and animal products (domestic, imports and exports);
- Analysis of disease trends (e.g. results of surveillance activities);
- Emergencies related to animal health and the CFIA's response;

- Actions taken in cases of non-compliance; and
- Level of public awareness (e.g. non-compliance at point of entry).

In addition, other performance information will be collected from external sources such as audits conducted by the Office of the Auditor General and reviews by foreign regulatory organizations.



Plant Protection

Plant Protection — Planned Spending

	Forecast Spending 2002–03	Planned Spending 2003–04	Planned Spending 2004–05	Planned Spending 2005–06
Net Planned Spending* (in millions of dollars)	92.2	63.9	66.2	66.2
Full Time Equivalents	922	815	765	765

* Incremental funding announced in the Federal Budget 2003 has not yet been allocated to the CFIA's business lines.

Core Activities: 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. CFIA staff will continue to work to control or eradicate pests, which include certain viruses, fungi, bacteria, mycoplasmas, nematodes, insects and plants. The CFIA will also continue to conduct inspections to verify compliance with safety and product standards for seed and fertilizer — two key inputs for plant production.

PLANT PROTECTION PROGRAMS

- ▶ PLANT PROTECTION
- ▶ SEED
- ▶ FERTILIZER

The CFIA assesses the environmental safety of plants with novel traits prior to authorizing them for release into the environment. The Agency also protects the intellectual property of plant breeders, enabling them to have exclusive control over their new plant varieties.

Some of the activities under the CFIA's plant-related responsibilities are carried out by certified industry staff or accredited third parties. In these instances, the CFIA will continue to develop the processes, certify those who will carry out the activities and audit the delivery of services.

Finally, the CFIA will continue to investigate cases of non-compliance and, when necessary, take enforcement actions including prosecutions.



Plant Protection Priorities:

KEY RESULTS

PRIORITIES

Entry into Canada of regulated diseases and pests is managed

- Risk analysis and effective import control programs such as:
 - Program re-design based on risk pathway analysis (i.e. analysis of what constitutes high-risk commodities, source of origin, and mode of transmission, foreign assessments — for example, sudden oak death certification in California);
 - Targeted inspections of high-risk imports; and
 - Surveillance of confined research trials.
- Development of information systems to maximize efficiency and availability of relevant information, such as:
 - Development of information systems to notify foreign countries of non-compliance; and
 - Development of an information system to collect and review performance data (e.g. Import Control Tracking System).

Spread of regulated diseases and pests is mitigated

- Enhanced emphasis on intelligence and information gathering, such as:
 - Conduct of surveys and movement control and eradication activities;
 - Continued emphasis on traceability and identification programs (e.g. exported wood packaging materials); and
 - Joint research with partners (e.g. AAFC and NRCan-Forest Service) on control and treatment methods.

Plant protection emergencies and incidents are effectively managed

- Conduct activities to ensure efficiency of collaborative activity and preparedness, such as:
 - Strengthening of early detection efforts through public awareness of plant pests;
 - Development and simulation testing of emergency response plans for the effective control of high-risk pests; and
 - Cultivation of co-operative relationships with relevant partners and governments through MOUs and other joint activities.



Plant Protection Priorities: (continued)

24

KEY RESULTS

PRIORITIES

Plants and plant products meet domestic and international regulatory requirements

- Development of strategies and activities to address domestic requirements, such as:
 - Surveillance of the marketplace;
 - Conduct effective technical training of personnel;
 - Enhancement of regulatory policy for products of biotechnology; and
 - Strengthened environmental assessment capability.
- Development of strategies and activities to address international requirements, such as:
 - Inspection and certification of Canadian plants, plant products and inputs for export;
 - Effective negotiation and implementation of clear, science-based international requirements; and
 - Implementation of quality management system requirements under international arrangement (e.g. Authorized Certification Officials Program).

Industry complies with regulations

- Continued development of positive and effective relationships with industry, such as:
 - Enhanced communication with importers, manufacturers, distributors and retailers to ensure proper understanding of Canadian regulatory requirements;
 - Active investigation of complaints; and
 - Continue to protect the intellectual property of plant breeders.
- Development of programs to increase regulatory capacities, such as:
 - Conduct of program redesign for efficient program delivery and effective compliance with regulatory requirements;
 - Update of information systems to ensure that information on regulatory requirements is current;
 - Conduct of audit, verification and compliance activities with emphasis on corrective follow-up actions.

Stakeholders understand and are committed to regulations and policies

- Conduct of frequent and inclusive consultations with industry ensuring involvement in the update and development of relevant regulations, policies and standards.
- Development and implementation of focused communication strategies to promote compliance (e.g. soil regulations).

KEY RESULTS	PRIORITIES
Public is aware of and contributes to plant protection	<ul style="list-style-type: none"> • Implementation of targeted communications (e.g. Tourism Canada, flight videos, passport inserts, public interest Web sites, posters, park and highway signage, pest fact sheets). • Enhanced detector dog and visible awareness programs at airports. • Development of public education strategies to increase awareness of plant protection issues (e.g. schools and universities).

Performance Assessment: In reporting to Canadians on its performance, the CFIA will measure the following:

- Rate of compliance for facilities and plant products (domestic, imports and exports);
- Analysis of disease and pest trends (e.g. results of surveillance activities);
- Emergencies related to plant protection and the CFIA's response;

- Actions taken in cases of non-compliance; and
- Level of public awareness (e.g. non-compliance at points of entry).

In addition, other performance information will be collected from external sources such as audits conducted by the Office of the Auditor General and reviews by foreign regulatory organizations.



Section V: Management Improvement Agenda

26

The CFIA's management improvement agenda includes a number of key initiatives that the Agency will undertake to support its core business. They include:

- Human Resources Initiatives
- Modern Management Initiatives

Human Resources Initiatives

Four key strategic priorities — effective leadership, a productive workforce, an enabling work environment, and a sustainable workforce — satisfy the CFIA's legislative, financial and operational requirements.

Effective Leadership — Succession planning will be used to encourage strong leadership, supported by training, to develop and maintain skills and competencies required for today's business environment. The CFIA is committed to ensuring a solid talent management strategy that is supported by leaders and owned by the entire organization. Leadership development will be reinforced at every level with a strong commitment to the management cadre, who represent the next generation of senior managers and play pivotal roles in managing people.

Key deliverables that will support effective leadership will include the development of a succession planning process for senior managers and key scientific personnel, the establishment of vigorous performance agreements for the executive cadre, and continued implementation of the CFIA's management learning continuum with particular focus on the development of the next generation of leaders.

A Productive Workforce — The CFIA will continue to deliver its programs and provide services in an efficient manner.

The CFIA will develop an HR strategy that will provide direction for the next five years of CFIA development. Productivity will be enhanced with a focus on results-based HR management where human resource priorities and outcomes are measured using the performance management framework. The CFIA will evaluate and improve its image as an employer in order to enhance its recruitment and retention strategies. Focus will continue on improving CFIA-wide internal communications, rewards and recognition programs.

An Enabling Work Environment — The CFIA will continue to provide the necessary support, tools, systems and equipment to enable employees to deliver high-level client service, while reaching their full career potential.

The Agency will continue to implement a values-based staffing system and CFIA-specific classification standards for scientific, professional and veterinary employees. Policies and programs that support flexible, efficient and effective human resource management practices will also be implemented, as well as a CFIA-wide integrated employment equity plan. In addition, the CFIA's official languages program and policy will be enhanced.

A Sustainable Workforce — The CFIA's current and future viability will be dependent on its ability to manage the skills and knowledge of agency employees.



The CFIA will continue to integrate human resources planning with the CFIA's business planning to ensure the organization's human resources needs are key considerations. The implementation of a learning strategy will provide a coordinated and strategic approach to learning. Effective consultation with bargaining agents will ensure modern, competitive and sustainable compensation approaches.

Modern Management Initiatives

In line with the Government of Canada's Modern Comptrollership Initiative, in 2002 the CFIA established the Modern Management Initiatives Office to further strengthen its overall management framework and practices and enhance the integration of related current and future initiatives. A Modern Comptrollership Capacity Assessment was also completed in fall 2002.

Performance Management Framework — As highlighted in the 2002 Capacity Assessment and in the Auditor General's assessment of the CFIA's Annual Report, better performance measurement is needed at the Agency. Last year, significant efforts were devoted in this area, and the CFIA developed a results-oriented performance management framework. As previously noted, for each of the CFIA's three business lines, key activities and desired outcomes were confirmed and linkages to the overall benefits for Canadians were established. Performance information was also identified and pilot projects were undertaken on a selected number of programs and activities to validate and enhance the framework. Throughout the planning period, the CFIA will continue to implement its performance management framework and will focus on developing strategies for data collection, management and reporting. The CFIA will share its results and lessons learned with other federal regulatory agencies and departments.

Enhanced Planning — Further enhancements to the planning process will continue. In the past year, the Corporate Business Plan and the Annual Report have benefitted from the engagement of senior management and increased horizontal discussions across the branches. The performance management framework also served as the foundation for the planning process. The CFIA will build on these accomplishments to further integrate the planning process across the Agency, enhance the ability to capture and analyze the results of environmental analysis and establish clear priorities. In addition, the CFIA will continue to reinforce the linkages between planning, performance measures and reporting.

Financial and Assets Management — In response to the need for improved managerial information and enhanced corporate stewardship within the CFIA, a number of initiatives have been undertaken to build on the success of the CFIA's conversion to accrual accounting. The Agency will be implementing a Web-based manager's reporting tool that will provide key budget, forecasting and accrual reports to improve overall decision making. This tool will be available at the manager's desktop. The same stewardship principles employed at the corporate level will also be incorporated at the manager level.

The roll-out of the manager's reporting tool will also facilitate the expansion of the CFIA's Active Monitoring Program and will allow for systematic reviews at the manager level, as well as within the corporate financial specialists' unit. The roll-out will also improve the CFIA's costing regime by ensuring standardization of costing data for cost-recovery analysis purposes.

Physical assets management will also be improved by introducing a governance regime for capital investments and by developing an assets management strategy for moveable assets, taking advantage of lessons learned in the conversion to accrual accounting with respect to establishment, tracking, depreciation and disposal of such assets.

Information Management/Information Technology —

The CFIA's management of information and supporting technology will continue to be driven by the information requirements of the business lines to support effective decision making and efficient program delivery.

Approaches to information management that complement government-wide direction are also necessary to maintain data consistency and quality.

The CFIA will improve its national information systems and supporting infrastructure to ensure that system specifications and reporting meet the Agency's operational and corporate requirements. The CFIA has placed a priority on making its services electronically available to stakeholders, including industry users. The CFIA will actively participate in the Government On-Line initiative, with the goal of providing interactive government services. The challenges related to electronic services are complex and include legal, policy, administrative and regulatory issues. The Agency currently provides a wide range of information on regulations, standards and CFIA-related activities and plans to increase this kind of information available to the public and other stakeholders.

The following Information Management/Information Technology projects are examples of initiatives that will enhance management of information for the CFIA's business lines: the Multi-Commodity Activities Program; the Laboratory Sample Tracking System; the Export Certification System; the Import Control and Tracking System; the Crisis Information Management System; the Canadian Animal Disease Emergency Management System; the Residue, Anti-Microbial and Micro-Organisms System; the Environmental Management Information System; and the Enhanced and Modernized Information Management System.

Quality Assurance — An important element of effective and efficient program management is quality assurance.

Over the past year, some initiatives focussed on improving quality assurance practices and ensuring consistency of delivery. To progress further in this area, the CFIA will complete a review of current quality assurance practices of other regulatory agencies and identify best practices. Moreover, the CFIA will build on its existing capacities and address key issues that will enhance the Agency's ability to ensure consistency of program delivery.

Enhanced Communication — Raising awareness within the CFIA and responding to training needs are essential components of modern comptrollership. Through a series of communication tools, the CFIA will raise awareness on the overall modern comptrollership initiative. The CFIA plans to address the issues identified as part of the capacity assessment and lessons learned. The Agency will also provide useful guidance to staff across the organization as part of the implementation of key initiatives.



Section VI: Organization

Strategic Outcomes and Business Lines

29

PLANNED SPENDING 2003-04

Business Line	Strategic Outcomes	\$ millions
Food Safety	<ul style="list-style-type: none"> Food is safe and suitable for consumption A fair and effective regulatory regime for food Public and market are confident of the safety of Canadian food 	278.2
Animal Health	<ul style="list-style-type: none"> Animal products are safe and of high quality Transmission of animal diseases to humans is controlled The Canadian animal resource base is protected from regulated diseases A fair and effective regulatory regime for animals and their products 	82.4
Plant Protection	<ul style="list-style-type: none"> Agricultural and forestry products are safe and of high quality The Canadian plant resource base is protected from regulated pests and diseases A fair and effective regulatory regime for agricultural and forestry products 	63.9
Total		424.5

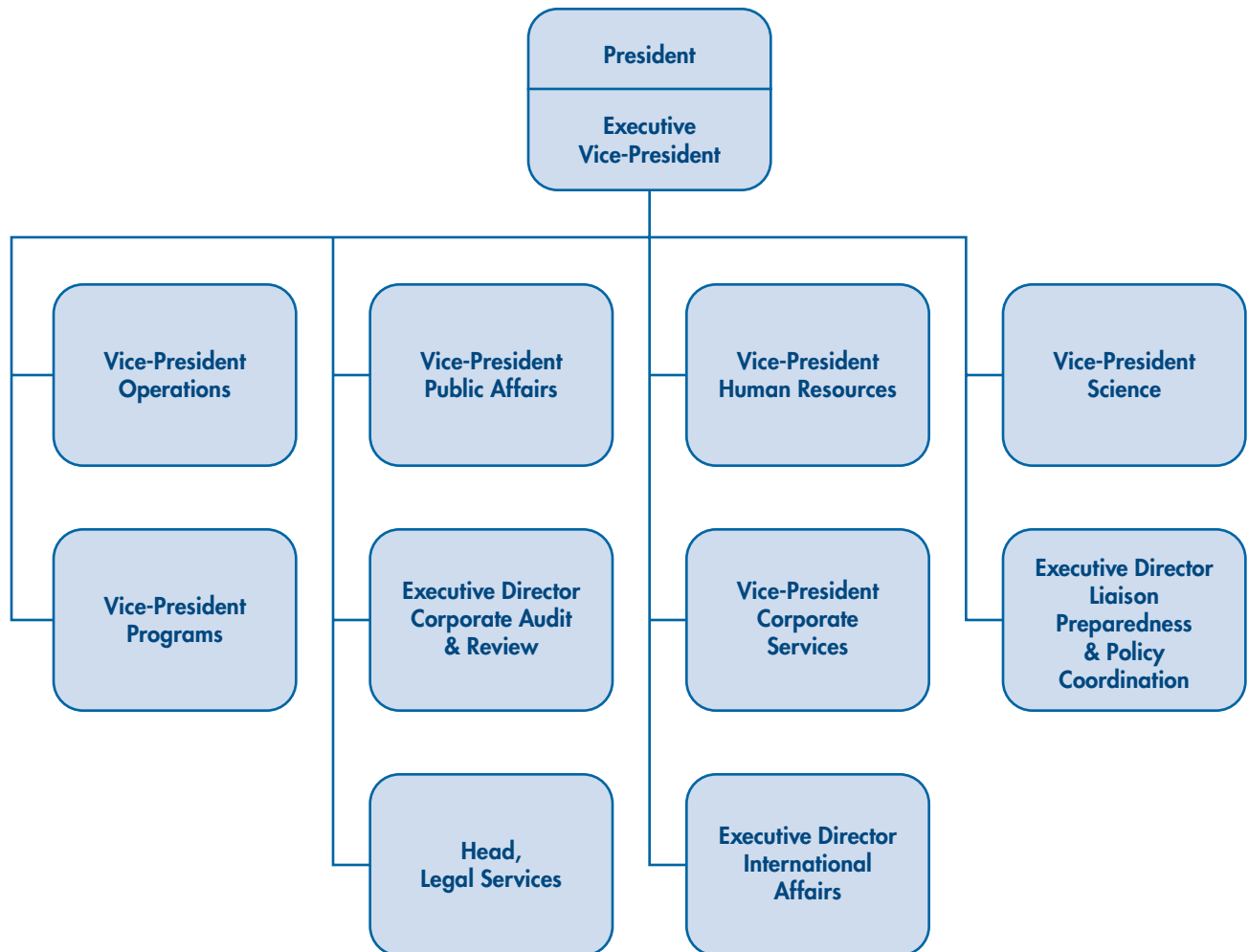
Accountability

The CFIA is headed by a President, who reports to the Minister of Agriculture and Agri-Food. Each Executive Committee member of the CFIA is accountable for all

three of the Agency's business lines. The following organizational chart depicts the reporting relationship within the CFIA.

30

Canadian Food Inspection Agency



CFIA Planned Spending (\$millions)

	Forecast Spending 2002-03	Planned Spending 2003-04	Planned Spending 2004-05	Planned Spending 2005-06
Food Safety	304.6	312.8	316.2	316.2
Animal Health	87.3	89.4	90.3	90.3
Plant Protection	69.8	71.0	66.3	66.3
Budgetary Main Estimates (gross) ¹	461.7	473.2	472.8	472.8
Less: Respendable revenue ²	47.4	50.0	50.0	50.0
Total Main Estimates	414.3	423.2	422.8	422.8
Adjustments ³	87.3	51.3	50.5	50.5
Net Planned Spending	501.6	474.5	473.3	473.3
Less: Non-respendable revenue	0.5	0.5	0.5	0.5
Plus: Cost of services received without charge	37.9	39.1	39.7	39.8
Net Cost of Program	539	513.1	512.5	512.6
Full Time Equivalents	5,438	5,356	5,306	5,306

31

Notes:

- 1) The Budgetary Main Estimates for 2003-04 increase of \$11.5 million is primarily due to collective bargaining settlements and an adjustment for respendable revenue as per Note 2 and is offset by minor decreases in plum pox and Canadian Regulatory System for Biotechnology funding.
- 2) The CFIA's Respendable Revenue target has increased to \$50 million to reflect the trend in economic activity over the past three fiscal years and does not represent increased user fees.
- 3) The Adjustments for 2002-03 includes \$31.8 million for Emergency Response, \$21.3 million of funding carried forward from the previous fiscal year, \$13.5 million for collective bargaining settlements, \$10 million for updated scientific and related equipment, \$6.1 million in transfers from Treasury Board Votes 10 and 15 (primarily reimbursed salary costs and Modern Comptrollership funding) and

\$4.6 million of additional respendable revenues reflecting increased economic activity.

The Adjustments for 2003-04 and ongoing reflect the incremental annual spending (\$50 million) announced in the Federal Budget 2003.

- 4) The Full Time Equivalents (FTEs) forecasted for 2002-03 of 5,438 are per the Agency's Salary Management System. The 2003-04 FTE decrease is due to the fact that emergency response funding approval of \$31.8 was for 2002-03 only. Further planned FTE reductions in 2004-05 and 2005-06 reflect known reductions in sunset program funding (e.g. plum pox).

Note: FTEs associated with the incremental funding accounted in the Federal Budget 2003 have not yet been determined.

Section VII: Annexes

32

Financial Tables

Table 1: Summary of Capital Spending by Program and Business Line (\$ millions)

	Forecast Spending 2002-03	Planned Spending 2003-04	Planned Spending 2004-05	Planned Spending 2005-06
Food Safety	7.2	4.4	7.9	7.9
Animal Health	2.0	3.8	4.7	4.7
Plant Protection	1.5	1.2	1.9	1.9
Total	10.7	9.4	14.5	14.5

Note: The Planned Spending increase from \$9.4 million in 2003-2004 to \$14.5 million in subsequent years is due to the sunsetting of two loans from the Treasury Board's operating reserve with respect to the Y2K issue.

Table 2: Details on Major Capital Project Spending (\$ thousands)

Projects over \$5,000,000	Current Estimated Total Cost	Forecast Spending to March 31, 2003	Planned Spending 2003-04	Planned Spending 2004-05	Planned Spending 2005-06	Future Year Spending Requirement
St. Hyacinthe/Longueuil Consolidation – Quebec	19,635.0	85.0	50.0	50.0	5,050.0	14,400.0
Mid Life Refit, ADRI Nepean – Ontario	40,000.0	50.0	360.0	350.0	3,010.0	36,230.0
ADRI Nepean Level 3 Annex – Ontario	18,000.0	200.0	300.0	1,800.0	2,000.0	13,700.0
New NCR HQ Building – Ontario	15,178.0	94.0	284.0	10,400.0	4,400.0	0.0
Laboratory Expansion and Mid Life Refit – Saskatoon, SK	10,335.0	75.0	150.0	610.0	4,800.0	4,700.0
Structural Bldg Phase 2 + 3 Reinforcement, Lethbridge, AB	9,347.0	4,000.0	1,847.0	1,200.0	1,200.0	1,100.0
Construction of Laboratory – Sidney, B.C.	10,052.0	567.0	1,785.0	5,500.0	1,900.0	300.0

Table 3: Summary of Transfer Payments (\$ millions)

Contributions	Forecast Spending 2002-03	Planned Spending 2003-04	Planned Spending 2004-05	Planned Spending 2005-06
Food Safety				
Contributions in support of those initiatives that contribute to the improvement, advancement and promotion of the federal inspection system.	0.1	0.1	0.1	0.1
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	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> .	4.3	1.3	1.3	1.3
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> .	0.2	0.2	0.2	0.2
Total Contributions	4.7	1.7	1.7	1.7

Note: The Planned Spending of \$1.7 M represents the Agency's baseline reference level. Any increase beyond this amount caused by animal and plant disease outbreaks will be reimbursed due to the statutory authority of this program.

Table 4: Source of Respendable and Non-Respendable Revenue (\$ millions)

	Forecast Revenue 2002-03	Planned Revenue 2003-04	Planned Revenue 2004-05	Planned Revenue 2005-06
Respendable Revenue				
Food Safety				
Respendable Revenue	35.9	35.5	35.5	35.5
Animal Health				
Respendable Revenue	7.8	7.0	7.0	7.0
Plant Protection				
Respendable Revenue	8.3	7.5	7.5	7.5
Total Respendable Revenue	52.0	50.0	50.0	50.0
Non-Respendable Revenue				
Food Safety				
Other non-tax revenues	0.1	0.1	0.1	0.1
Proceeds from sale of Crown Assets	0.4	0.4	0.4	0.4
Animal Health				
Other non-tax revenues	0.0	0.0	0.0	0.0
Proceeds from sale of Crown Assets	0.0	0.0	0.0	0.0
Plant Protection				
Other non-tax revenues	0.0	0.0	0.0	0.0
Proceeds from sale of Crown Assets	0.0	0.0	0.0	0.0
Total Non-Respendable Revenue	0.5	0.5	0.5	0.5
Total Respendable and Non-Respendable Revenue	52.5	50.5	50.5	50.5

Table 5: Net Cost of Program for the Estimates Year (\$ millions)

Canadian Food Inspection Agency	
Net Planned Spending (Total Main Estimates plus Adjustments as per the Planned Spending Table)	425
<i>Plus: Services Received without Charge</i>	
Accommodation provided by Public Works and Government Services Canada (PWGSC)	16.2
Contributions covering employers' share of employees' insurance premiums and expenditures paid by TBS	22.3
Workman's compensation coverage provided by Human Resources Canada *	0.0
Salary and associated expenditures of legal services provided by Justice Canada	0.6
	39.1
Less: Non-Respendable Revenue	0.5
2003–2004 Net Cost of Program	463.1
*Amount is less than \$100K, therefore is not shown on this table.	

Major Regulatory Initiatives

The CFIA enforces 39 sets of regulations related to the 13 acts that form the Agency's legislative mandate. There are approximately 40 amendments to regulations being considered for the 2003–04 fiscal year. Proposed changes are designed to provide a more flexible,

responsive and efficient legislative and regulatory base. When major regulatory initiatives¹ are proposed, a cost-benefit analysis is completed.

The following table outlines major regulatory initiatives:

37

Regulations	Expected Results
<i>Meat Inspection Regulations, Mandatory HACCP</i>	HACCP is a systematic approach to enhance food safety with prevention being the key element. It provides a scientific base to inspection and a pro-active approach for industry to identify and control biological, chemical and physical hazards.
<i>Processed Products Regulations</i>	Complete rewrite of the Processed Product Regulations that will include changes to compositional standards and other requirements.
<i>Health of Animals Regulations</i>	Create regulations for the handling of dead stock and their rendering.
<i>Meat Inspection Regulations (Swine Inspection)</i>	Proposal to modify the regulations to provide more flexibility in the way ante mortem (live animal) and post mortem (carcass and viscera) inspection are performed and give the industry more responsibility for these procedures.

¹ Treasury Board definition for Major Initiatives: i.e. *A regulation which costs more than \$50M or costs between \$100k and \$50 M and has a low degree of public acceptance.*