



Western Stock Growers' Association

Stockman's Centre, # 101, 2116 - 27 Avenue NE
Calgary, Alberta, Canada T2E 7A6
Phone 403-250-9121 Fax 403-250-9122
wsga@shaw.ca
web site: www.wsga.ca

Comments
Prepared
by William

K. Newton, WSGA
Governor

Colleen Barnes
Canadian Food Inspection Agency
Executive Director, Domestic Policy
1400 Merivale Road
Ottawa, ON
K1A 0Y9

Colleen.Barnes@inspection.gc.ca

December 14, 2010

Re: A Legislative and Regulatory Framework for Traceability

Dear Colleen:

The WSGA board has directed me to prepare and provide comments on this document. WSGA appreciates this opportunity. Our comments (where species specific) relate to traceability requirements proposed for beef cattle. Italicized sections are direct quotes from the consultation document.

General Comments

Notwithstanding the FPT agreement, property and civil rights remain provincial jurisdiction. Food Safety is a federal concern but CFIA has failed to demonstrate (in this document) the linkage between food safety concerns and the proposed traceability system. We are aware of few food safety risks for which traceability is the primary mitigation. Further, Saskatchewan has not signed on to the FPT agreement so WSGA wonders how the proposed national traceability system will function effectively in their absence – or alternatively what federal powers will be invoked to force their participation.

Any databank is only as useful as the quality of the housed data. The Canadian beef industry already has extensive experience with incomplete and inaccurate data sets – two current examples being the trace-out of the February 2010 BSE case and the problems with inaccurate age verified cattle presented for slaughter. The proposed framework would markedly expand the requirements for livestock producers and processors to report data. Given current mandated approved technologies in the beef sector, much of this data reporting will involve manual data collection, transcription, and reporting. The resultant

data will inevitably be of questionable quality and therefore of little use in achieving the stated objective of the framework.

Legislation requires enforcement to be effective. The proposed requirements for identification (livestock and premises), registration, and movement reporting occur at all levels of an incredibly extensive, diverse, and complex beef production chain. WSGA does not believe that there is a reasonable expectation of successfully enforcing a regulated traceability system such as the one proposed in this document.

Because of the dynamic and complex nature of the beef production chain WSGA believes there are unacceptable risks in relying on a portal system to access databases in the event of an emergency, whether animal health or food safety related. Further we expect the costs of such a system will be borne by producers in some form and at some point, and given the limitations of data quality and completeness we don't believe there will be net benefit for industry.

Legislation is by its very nature public information. WSGA is concerned that the proposed traceability framework will lead to unrealistic / unachievable expectations from our international beef customer nations. Our industry failure to fully comply with traceability requirements; or perhaps our tendency to over sell the capabilities of our current system; have recently interfered with international trade negotiations (specifically beef trade with China and South Korea). This document proposes a far more extensive traceability system with concomitant higher customer expectations and higher probability of industry inability to fully comply.

The proposed strong provisions for protection of personal and confidential information are at odds with some of the stated additional benefits of the traceability framework. If we wish to continue to produce food in anonymity, then we simultaneously choose to produce commodity undifferentiated food. Additionally, the confidentiality provisions of our current beef traceability system confound and complicate the data errors of that system, making it difficult to correct those errors even when they are detected (e.g. inaccurate age verification). Perhaps the solution to this problem is to address the ownership of information issue. WSGA insists that the information relating to an animal; it's ID, movement, and attributes; is the property of the owner of the animal at the time the information was generated. The information does not necessarily change ownership with an ownership change of the animal (i.e. the information has a separate property right from the animal). Regulatory requirements to collect, report, and allow access to that information are all an infringement on the property right and in most instances transfer the value of the information from it's rightful owner to someone else in the supply chain with no compensation. An example of this is the disappearance of age verified U21M premiums from the marketplace following Alberta's mandatory AV regulation. Additionally, information is a powerful competitive tool and as such must remain in the private enterprise sector where it can be exchanged for value. Respecting ownership of information could potentially address the confidentiality issue – if I want to remain anonymous I will be unable to extract value for my information. Unfortunately we have already transgressed this principle. WSGA believes we should at the least prevent further

regulatory takings in this area, and ideally we should correct some previous transgressions.

Finally, a legislative framework for traceability that is enabling has inherent risks for industry. In our view, enabling legislation requires limitations on the degree of enablement to ensure that subsequent regulations are practical and reasonable and of net benefit to both industry and government. This document is quite concrete in what it proposes for regulatory requirements but extremely vague on the issue of cost-sharing. Inclusion of the formula for cost-sharing in the legislation could serve as a practical means to limit the degree of enablement of the legislation.

Comments Specific to “Benefits” Section

Knowledge of the location of non-commercial operations is of little use without information on the movement and co-mingling experiences of the livestock from those operations.

Identification of conveyances similarly is of little use without a link to the identification of livestock conveyed, their change in premise, the route taken to achieve that change in premise, and the potential co-mingling events along that route. In short it is apparent that this document proposes full movement reporting including co-mingling. Accurate and timely information to this degree of detail is not achievable with current technologies.

WSGA cautions against a false sense of security engendered by the proposed traceability framework. The system as proposed has no mechanism to detect missing information and is for practical purposes unenforceable.

Traceability can be leveraged into new opportunities for growth and international competitiveness is a gross over statement in terms of a national mandated system. Voluntary participation in differentiated production may represent growth / competitive opportunities, and traceability will be a requirement of that differentiation. National mandatory traceability to the degree contemplated in this document does not appear to be a demand of a market segment large enough to absorb our national production, and as such would likely make the industry uncompetitive. Our general comments on ownership of information also apply here. Regulatory requirement for the collection of more and more information leaves ever less information available for product differentiation. Again this is an intrusion on private sector opportunity.

Comments Specific to “Context” Section

Even though Alberta and Quebec have both committed to mandatory traceability there have been marked differences in the degree of government support for the livestock industry and their traceability initiatives between the two provinces. Additionally the two provinces have dramatically different production systems. Likewise industry acceptance of traceability has varied dramatically between the two provinces.

That the proposed framework *will not duplicate existing provincial approaches* does not preclude the framework from over riding provincial approaches. CFIA and AAFC need to clearly communicate to both industry and provinces how the federal framework will fit with provincial and industry traceability initiatives.

Comments Specific to “Technology and Traceability” Section

The new framework proposes to *provide the government with additional authorities to approve new technologies*. It is our opinion that we do not need additional authorities to approve new technologies. Rather we need to establish performance standards for technologies to generate, gather and report the data points we determine necessary for our traceability system. Then approval of the technology becomes a simple matter of whether or not it meets the established performance standards.

Additional authorities...to develop a national information portal for traceability data implies a requirement to report to a database. Timely reporting is essentially unenforceable, particularly with cumbersome technology. WSGA believes that the proposed level of traceability will only be achieved when seamless, streamlined, non-invasive technology that collects and submits required data points during routine animal husbandry, production and marketing practices is developed and cost-effective. We have many examples of problems with our comparatively low level of information reported to databases (e.g. tag allocation, retirement, AV) and WSGA predicts those problems will only worsen without suitable technologies.

Comments Specific to “Scenarios” Section

WSGA finds CFIA’s reference to BSE as “Mad Cow Disease” in a document of this nature to be unprofessional and inflammatory.

Using Foot-and-mouth disease as a scenario is also questionable. WSGA is not aware of any instance where mandatory electronic traceability systems have substantially mitigated the impact of an FMD outbreak. There is at least some evidence that the U.K. paper passport system was at best ineffective and at worst contributory to the severity of the 2001 FMD occurrence.

WSGA does recognize the imperative for prompt decisive action in the event of a foreign animal disease. We do not believe that a traceability system such as proposed here but based on current technology will be sufficient to limit the spread of such a highly infective virus given the extent, speed, and frequency of North American livestock transportation and the multiple modes of translocation of the virus.

Comments Specific to “Animal Identification” Section

This section essentially proposes full movement tracking as well as tracking of attributes such as age. In the absence of a definition of location / premise this section could be utilized to require pasture to pasture movement reporting. Additionally the section

suggests tracking transactions such as sales on an individual animal basis by means of *approved identifiers (e.g. eartags)*. This system will encounter severe implementation difficulties in Western Canada with large extensive grazing operations where cattle seldom pass through handling facilities that allow for tag reading.

The section also proposes to treat *imported animals in a manner that is consistent with the identification of domestic animals*. Does consistent mean identical, or something more like similar. With the full life span tracking proposed for domestic animals it is unlikely that many import candidates would qualify for identical treatment. The principle to be observed is that if we add regulatory burden to domestic production that burden must be offset in some manner to remain competitive in international markets and to prevent import animals from eventually taking over domestic markets.

Comments Specific to “Premises Identification” Section

This section attempts to define linked premises, but the definition is itself unclear because of the use of terms like *regular movement*. Is regular movement annual, monthly, daily?

The inclusion of a conveyance as a location would tend to indicate a fairly extreme level of detail is anticipated in location recording and reporting. This level of detail is likely to be problematic.

Regulatory requirements for *knowledge of the custodian of a particular location* will be problematic for maintenance of an up to date accurate database given short term rental / pasture arrangements that are common in Western Canada. They will also be a problem in the case of co-operative grazing arrangements with multiple custodians utilizing the same location – possibly concurrently.

Comments Specific to “Movement and other events reporting” Section

This section suggests extreme levels of record keeping and reporting. Not only will custodians need to know and have records of where their animals are (potentially on an individual animal basis) but also where their animals were (again on an individual animal basis) and additionally *which other animals / groups of a particular species came in contact with others during movement from one location to another*. The document proposes that transporters, custodians, and others will *report movement information, including date, time and individual or group identifier of all individual or group movements and corresponding ID numbers of locations when animals are moved and the identification of conveyance used in the movement*. Further, the proposal allows for a requirement to report all this information *in a pre-defined and standardized manner and format*. Who will determine the manner and format for reporting, and how will they determine it? One could interpret this section as requiring reporting for individual animals in a location (conveyance) superimposed on another location (road or pasture) and in contact with yet other individual animals on those same or adjoining locations, and the date and time that each of these events was occurring. This will not be possible and will only result in non-compliance or junk data.

Comments Specific to “Authorized use and sharing of information” Section

This section suffers from unfettered enablement. *The provisions, where required, could allow for access to aggregate and non-personal information contained within the traceability systems for purposes other than management of animal health issues and emergencies; including: animal demographic studies, analysis of disease trends, simulations of disease outbreaks.* Further, the definition of *authorized and appropriate uses of traceability information* would seem to be fundamental to the design and scope of a traceability system but this document leaves them undefined while proposing a very encompassing and detailed traceability system.

Comments Specific to “Compliance and enforcement”

This element of the traceability framework is defined as *the principles and actions to be followed with the goal that regulated parties operate in full compliance with the proposed traceability system.* WSGA questions whether non-compliance to this framework constitutes a significant threat to society and public safety. Producers will be regulated parties and our arguments above regarding enforcement apply here. We are convinced that a regulatory system with penal provisions for non-compliance will be ineffective for a number of reasons, principle among which will be the difficulty of detecting non-compliance and the responsible party in our complex transactional biological production system. We believe a market based system with incentives / disincentives would more effectively achieve satisfactory levels of compliance.

Comments Specific to “Reporting and record keeping” Section

This section will require custodians to keep records *corresponding to the data submitted to administrators* and to record and retain *information that may be used to confirm the attributes of any given animal.* It will also permit *on-site compliance verification and audits of parties submitting data to administrators.* This proposed legislation allows unprecedented intrusion into private property and private enterprise for purposes of enforcement and audit. WSGA does not agree with that intrusion. Records and information related to the attributes of an animal should remain the property of the owner of the animal at the time the attributes were established and recorded. It should be that owner’s prerogative, therefore, to determine who has access to those records and for what purposes.

Comments Specific to “Additional considerations” Section

Budget and source of capital is fundamental to any construction project, yet this framework proposes a detailed blueprint for a traceability system but leaves budget and capital source to a discussion to be held after construction is almost complete. The details of who pays, and how much, must be finalized before we plan the project.

WSGA cautions that the prescriptive nature of the proposed standards will make compliance more difficult and expensive for regulated parties.

While in theory a single window information portal appears to offer the *most rapid, targeted, and effective method for controlling a disease outbreak* WSGA again cautions that in practice this system could create a false sense of security. The beef cattle industry will not achieve real time reporting of movement in the foreseeable future. Data quality again will be the limiting factor. WSGA questions the large budget allocated to portal development given that we know we have data quality issues.

Summary

WSGA has serious concerns with the proposed traceability framework and with the regulatory burden the Canadian beef industry carries. We also have concerns with creating unreasonable expectations not only for international customers but also for government agencies such as CFIA and for industry itself. We know that this is an ongoing consultative process and we will continue participation in that process.

WSGA has tasked me with leading this engagement. Please correspond with WSGA through me. My e-mail is wnewton@jrtwave.com Correspondence can also be sent to our office but please direct it to my attention.

Respectfully submitted,

William K. Newton DVM, MSc
Governor, WSGA