



Canadian Food Inspection Agency

Performance Report

For the period ending
March 31, 2000

Canada

Improved Reporting to Parliament Pilot Document

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*.

©Minister of Public Works and Government Services Canada — 2000

Available in Canada through your local bookseller or by mail from

Canadian Government Publishing — PWGSC

Ottawa, Canada K1A 0S9

Catalogue No. BT31-4/79-2000

ISBN 0-660-61362-X



Foreword

On April 24, 1997, the House of Commons passed a motion dividing on a pilot basis the *Part III of the Estimates* document for each department or agency into two separate documents: a *Report on Plans and Priorities* tabled in the spring and a *Departmental Performance Report* tabled in the fall.

This initiative is intended to fulfil the government's commitments to improve the expenditure management information provided to Parliament. This involves sharpening the focus on results, increasing the transparency of information and modernizing its preparation.

The Fall Performance Package is comprised of 83 Departmental Performance Reports and the President's annual report, *Managing for Results 2000*.

This *Departmental Performance Report*, covering the period ending March 31, 2000 provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the department's *Report on Plans and Priorities* for 1999-00 tabled in Parliament in the spring of 1999.

Results-based management emphasizes specifying expected program results, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and reporting on achievements in a balanced manner. Accounting and managing for results involve sustained work across government.

The government continues to refine its management systems and performance framework. The refinement comes from acquired experience as users make their information needs more precisely known. The performance reports and their use will continue to be monitored to make sure that they respond to Parliament's ongoing and evolving needs.

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

Comments or questions can be directed to the TBS Internet site or to:

Planning, Performance and Reporting Sector
Treasury Board Secretariat
L'Esplanade Laurier
Ottawa, Ontario, Canada
K1A 0R5
Tel: (613) 957-7167
Fax (613) 957-7044

Canadian Food Inspection Agency

Performance Report 1999-2000

**For the period ending
March 31, 2000**

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

Table of Contents

Executive Summary	iii
Section I Minister's Message	1
Section II Agency Performance	3
2.1 Societal Context	3
2.2 About the Agency's Performance Management Framework	7
2.3 Food Safety	10
2.3.1 <i>Emergency Management</i>	11
2.3.2 <i>Implementation of HACCP-Based Systems</i>	13
2.3.3 <i>Consumer Food Safety Education</i>	14
2.3.4 <i>Meat Hygiene Program</i>	15
2.3.5 <i>Honey Program</i>	16
2.3.6 <i>Fresh Fruit and Vegetables Program</i>	16
2.3.7 <i>Processed Products Program</i>	17
2.4 Animal Health	19
2.4.1 <i>Animal Health Program</i>	20
2.4.2 <i>Feed Program</i>	22
2.5 Plant Protection	24
2.5.1 <i>Seed Program</i>	25
2.5.2 <i>Fertilizer Program</i>	26
2.6 Agency-Wide Performance Accomplishments	28
2.6.1 <i>Science Services and Advice</i>	28
2.6.2 <i>Enforcement</i>	31
2.6.3 <i>Biotechnology</i>	32
2.6.4 <i>Federal-Provincial/Territorial and International Agreements</i> ..	33
Section III Consolidated Reporting	37
3.1 Legislative/Regulatory Initiatives	37
3.1.1 <i>Legislative Initiatives</i>	37
3.1.2 <i>Regulatory Initiatives</i>	37
3.2 Administrative Monetary Penalties Regulations	38
3.3 Plant Breeders' Rights	38
3.4 Cost Recovery	39

Section IV	Financial Performance	41
4.1	Financial Performance Overview	41
4.2	Financial Summary Tables	42
	<i>Table 1 – Summary of Voted Appropriations</i>	43
	<i>Table 2 – Comparison of Total Planned Spending to Actual Spending</i>	44
	<i>Table 3 – Historical Comparison of Total Planned Spending to Actual Spending</i>	45
	<i>Table 4 – Respendable Revenues</i>	45
	<i>Table 5 – Non-Respendable Revenues</i>	45
	<i>Table 6 – Statutory Payments</i>	46
	<i>Table 7 – Transfer Payments</i>	46
	<i>Table 8 – Capital Spending</i>	47
	<i>Table 9 – Capital Projects</i>	47
Section V	Agency Overview	49
5.1	Mission & Mandate	49
5.2	Agency Organization	50
Section VI	Other Information	51
6.1	Contacts for Further Information	51
6.2	Legislation Administered and Associated Regulations	52
Appendices		
Appendix 1	<i>CFIA Objectives and Related Performance Information</i>	55
Appendix 2	<i>Proposed Three-Year Reporting Cycle</i>	56
Appendix 3	<i>Full-Time Equivalents and Expenditures of Inspection Programs for 1998-99 (Based on accrual accounting)</i>	57
Appendix 4	<i>Full-Time Equivalents and Expenditures of Inspection Programs for 1999-2000 (Based on accrual accounting)</i>	58
Appendix 5	<i>Laboratory Testing for 1998-99 and 1999-2000</i>	59
Appendix 6	<i>CFIA User-Fee Revenues 1998-99 and 1999-2000 (Based on accrual accounting)</i>	60

Executive Summary

In 1999-2000, the Canadian Food Inspection Agency (CFIA) entered its third year of operation. The Agency continued to serve Canadians by carrying out its important and far-reaching mandate in the areas of food safety, fair labelling practices, animal health and plant protection. CFIA is Canada's largest science-based regulator.

The Agency's work safeguarding and promoting a safe food supply involves much more than simply inspecting food products and the premises where they are produced. The food supply system extends from inputs, such as seed and fertilizer, through crops and livestock, to the food products at the retail level.

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.

This report is guided by the Agency's cyclical reporting schedule and highlights performance information in the following areas:

Food Safety

Food safety is the first priority of the Agency. Our staff inspected federally registered food establishments and found high levels of compliance with our regulations for processed products, maple and honey. The results of our inspections of these food products were equally assuring. Moreover, our meat inspection efforts showed that condemnation rates for red meat and poultry and the rejection rate for imported meat remained relatively low. In instances where food recalls were necessary, we acted promptly and effectively.

Progress was achieved in our three Hazard Analysis Critical Control Point (HACCP) food safety programs. Agency staff continued to approve industry Food Safety Enhancement Program (FSEP) plans, pilot projects in the poultry industry increased, and all federally registered fish processing plants developed and implemented Quality Management Program (QMP) plans. We expanded food safety educational programs and continued our participation with the Canadian Partnership for Consumer Food Safety Education.

Animal Health

CFIA has kept Canada free of transmissible diseases that are considered to be the most serious in terms of public health and socio-economic consequences. For example, Canada remains free of tuberculosis, brucellosis and bovine spongiform encephalopathy (BSE). Through our detection and eradication activities, we have controlled and limited

the spread of animal diseases found in Canada such as scrapie, chronic wasting disease (CWD) and rabies. We contributed to both human and animal health through our feed program. Due to concerns about BSE or “Mad Cow disease”, rendering plants that produce feed were all inspected and found to be compliant with our regulations.

Plant Protection

We continued to provide third-party regulatory oversight of the Canadian Seed Institute. CFIA testing of seed imports showed a high rate of compliance and samples obtained from our marketplace monitoring activities over three years indicated that 95 percent of pedigreed seed and 84 percent of non-pedigreed seed met minimum standards.

We sampled fertilizer in order to contribute to their safety for users, the environment and consumers of agri-food as well as their efficacy and accuracy of claims. We continued to process research notifications, inquiries and requests for product registration, label reviews, efficacy and safety data reviews.

Serving Canadians into the New Century

The Agency continued its work on a number of other important and emerging fronts. The CFIA’s Office of Biotechnology was created to provide a focal point for biotechnology policy related to the regulation of agricultural products. CFIA was active in research and technology development on diseases and pests of animals, fish and plants, including improved testing and analytical methods to ensure that Canadian foods and other commodities meet international standards for health and safety. In addition, the Agency made progress in cooperating and partnering with other jurisdictions and supporting Canada’s priorities on the international front.

We are proud of our accomplishments and are working to serve Canadians into the next century.

The Departmental Performance Report is available at www.cfia-acia.agr.ca

Section I Minister's Message

I am pleased to present the Departmental Performance Report for the Canadian Food Inspection Agency (CFIA). This report covers CFIA's activities and accomplishments for the period of April 1, 1999 to March 31, 2000.

As always, the safety of consumers and more specifically food safety has been the priority of the Agency. CFIA has made important strides in enhancing both the effectiveness and the efficiency of the food inspection system by actively pursuing and supporting industry implementation of Hazard Analysis Critical Control Point principles. The Agency also stepped up its surveillance activities, targeting producers, processors and suppliers suspected of not meeting their food-safety responsibilities and, when necessary, used its considerable powers, including criminal prosecution, to enforce regulatory compliance.

In support of CFIA's commitment to the protection of the health of animals, the Agency continued to control the introduction and limit the spread of animal diseases through its detection and eradication activities. This work has bolstered Canada's already excellent reputation for the quality of its animals and animal products. In addition, the Agency continued to work hard to protect Canadians from animal diseases that can be spread to humans.

CFIA also committed to, and delivered, protection to plants from diseases and pests that could be injurious to the animals and plants of Canada. The Agency continued to expand its extensive surveillance systems - reducing the likelihood that serious plant diseases and pests enter the country. At the same time, CFIA took decisive action to contain the spread of diseases and pests already in Canada.

CFIA further strengthened its scientific capabilities and developed stronger and increasingly productive relationships with its food-safety, animal health and plant protection partners – the private sector, consumers, non-government organizations, federal government departments and provincial/territorial governments.

I believe that Canadians have been well-served by the activities of the Agency and in the coming years CFIA will continue to further solidify its position so that Canadians can continue to benefit from one of the best inspection and quarantine systems in the world.

The Hon. Lyle Vanclief, P.C., M.P.

Minister of Agriculture and Agri-Food

Section II Agency Performance

2.1 Societal Context

The Canadian Food Inspection Agency (CFIA) was created in 1997 to consolidate the delivery of all federally mandated food inspection, plant protection and animal health programs — delivery that was previously provided by four federal government departments: Agriculture and Agri-Food Canada, Fisheries and Oceans Canada, Health Canada and Industry Canada.

The objective of the Canadian Food Inspection Agency is to strengthen the food safety system, encourage fair labelling practices, and contribute to the health of animals and the protection of the plant resource base. Preserving high standards for food safety and quality bring significant advantages to Canadians, from health benefits for consumers to maintaining our international reputation for safe food. Protecting the health of animals from serious disease and protecting the plants and forests from regulated diseases and pests contributes to the health of the resource base.

Program delivery includes inspecting meat, fish, dairy products, eggs, fresh fruit, vegetables, honey, and processed products produced in federally registered establishments or imported into Canada, for compliance with both safety and fair labelling standards. In the food sector that is not federally registered, the Agency delivers programs that target identified risks to the health of the public and protect the consumer against deceptive business practices. The Agency also delivers programs to protect animals and plants from regulated diseases and pests that could incur serious damage to the resource base. These programs also contribute to plant and animal products meeting international science-based requirements. To effectively deliver this range of programs, CFIA requires the expertise and support of other federal departments, provincial/territorial/municipal governments, producers, industry, distributors, retailers, and consumers.

There are several factors—both internal and external to the Agency—that will continue to influence CFIA’s strategic direction for the next several years. These factors include:

Government Commitments

In the recent Speech from the Throne, the Government of Canada put forth a plan aimed at enhancing the quality of life for all Canadians. Of particular significance for CFIA were the Government's commitments to:

"The Government will protect the health of Canadians by strengthening Canada's food safety program . . . "

Speech from the Throne, 1999

- improve Canada's food safety system;
- pursue arrangements with provinces, territories and the private sector;
- participate in international fora to help build a more transparent, rules-based global trading system;
- attract and retain researchers;
- implement government-wide human resource strategies; and,
- implement environmentally sustainable strategies.

Public Perceptions and Expectations

Canadian consumers are asking for more and better information about food safety and nutritional issues. Recent polling¹ indicates that Canadians consider food safety the most important food issue, followed by nutrition and quality. Increased public and media attention to these issues has been reinforced by several high-profile events in recent years including cases in the United States, Britain and Belgium—the "Jack-in-the-Box", "Mad Cow Disease" and dioxin issues, respectively.

Canadians expect the federal government's science programs to be "world-class," with policies and interventions that are based on high-quality information and science.

The public has told us that they recognize that food safety is not solely a government responsibility — consumers and industry also have a role in preventing bacterial food-borne illness. However, with respect to the government's role, Canadians expect accountability and openness, as well as effective and efficient service delivery.

Changing Marketplace and Food Industry

A greater variety and volume of retail manufactured foods are being introduced to the marketplace. Retailers increasingly offer ready-to-eat meals such as pasta, soup, pastry, sandwiches and rotisserie products. Food is being sold in stores not traditionally associated with food selling — drug stores, department stores and warehouse clubs.

Food imports will continue to increase substantially. This presents a new challenge. Incidents related to these foods can be difficult to trace back and may require considerable time to investigate.

New food products — herbal and botanical products, ethnic foods, sports and nutrition drinks, foods from products of biotechnology, organic foods and nutraceuticals — will

¹ International Survey on Food Safety and Biotechnology, Environics Ltd., Toronto, Sept., 1999

increasingly enter the Canadian marketplace. Health Canada sets policies and standards for these products. CFIA will be required to develop new inspection methods and staff training programs to meet new regulatory requirements.

Pressures on the Food Safety System

The number of food emergencies requiring CFIA response has increased significantly in recent years. Since 1996–97, food recalls have increased by 80 percent - with this year being the first moderate year-over-year decrease (five percent). The overall increase can be attributed to an increased number of CFIA investigations, more reported allergies and emerging pathogens, improved surveillance systems, greater consumer awareness, improved detection methodologies, more stringent Health Canada guidelines, and increasing food imports, particularly from non-traditional sources. More complex and varied food production and distribution channels have also elevated the potential for food safety incidents. Changing consumption habits have exposed Canadians to new food products, and in turn, to new food safety risks.

International Regulatory Control of Food, Plants and Animals

International standard-setting bodies are developing new, more stringent standards to verify the safety of food and agricultural inputs. Increasing trade liberalization exposes Canadians to new food products and greater risks. The establishment of “disease-free zones,” - areas without serious diseases - is being promoted by international organizations and will further liberalize international movement of food, plants and animals. In the face of this, CFIA must continue to protect important Canadian resources — Canada’s food supply system, its animals, crops and forests — through measures that enhance food safety and maintain a healthy animal and plant population. In addition, the Agency must continue to influence international inspection standards by being an active participant in international standard-setting bodies.

Technological Advances

Biotechnology is an increasingly important and challenging issue for the Agency. Public concern both at home and abroad regarding biotechnology products will continue to place increasing pressures on CFIA. The challenge will be to safely use this technology while ensuring that regulatory requirements are sufficiently stringent and strictly and consistently enforced to protect all Canadians.

Other examples of significant technological advances that present challenges include high-speed lines in meat plants, irradiation, and improved communications and information-exchange capabilities. There will continue to be significant opportunities to share information with partners, stakeholders and the public, especially by capitalizing on modern technologies including the Internet. The Agency’s Government On-Line initiative will give the public greater access to more rapidly transmitted information about food safety and nutritional issues.

Collaborative Efforts

At the present time, many levels of government are involved in food safety, plant protection and animal health. This has resulted in inefficiencies due to overlap and duplication. The Federal Government has directed all federal departments and agencies to work towards increased collaboration between various levels of government as a means to optimize resources and improve efficiency and effectiveness. Collaboration and partnerships between the federal government, producers, industry and consumers will also continue to increase.

2.2 About the Agency's Performance Management Framework

Introduction to Agency Performance

During 1999-2000, the CFIA made steady progress towards improving its overall performance in an increasingly complex and challenging global environment for food safety and animal and plant health.

Safeguarding and promoting safe food involves much more than simply 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 Agency is mandated to regulate several stages of this food continuum and 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.

However, it must be noted that the Agency does not have sole responsibility in these areas. The primary responsibility for meeting federal standards and requirements rests with producers, processors and suppliers. While it is our responsibility to inspect and enforce compliance with federal regulations, we increasingly work *with* these groups to take preventative measures to reduce food safety risks.

Developing Performance Management

In the past year, the Agency has taken significant steps to redefine the framework underlying our performance reporting to Parliament and the public. We have re-thought our business line structure and redesigned our corporate level performance management framework, employing a rigorous and disciplined methodology. We are confident that these improvements provide a strong foundation upon which we can continue to develop performance management and reporting.

The proposed business line structure corresponds with the Agency's key results commitments to Canadians and is presently under review by the Treasury Board Secretariat of Canada. The redesigned performance management framework contains the measurement strategies for the Chart of Key Results Commitments (CKRC). We are continuing our efforts in performance management by cascading the corporate model down to the program level. Two studies are presently underway in the Meat Hygiene Program and the Fish Program.

Our successful response to the Y2K challenge led to the replacement of 117 information systems with 17 integrated systems. These systems will require considerable enhancement over the next several years to ensure maximum benefit. The development of these systems will support the Agency's work in the area of performance reporting.

Structure of Performance Section

The Agency has articulated three key commitments to Canadians:

- Food Safety;
- Animal Health; and
- Plant Protection.

Within each area, we report on the Agency's programs and key initiatives. The report also includes a section on agency-wide performance accomplishments highlighting accomplishments that transcend Key Results areas. In providing the Agency's performance information, we have also provided some general contextual information about the program and the activities being reported on.

The crosswalk in Appendix 1 provides a link between the former and current Performance Management Framework. Under the new structure, the Agency's performance is presented by Key Result area (See Chart of Key Results Commitments). Within each Key Result area, we report on the Agency's programs and Agency-wide initiatives. Due to our cyclical reporting schedule, not all programs are reported in each year (see the schedule in Appendix 2). In addition, a breakdown of full-time equivalents and expenditures for all Agency programs can be found in Appendix 3 for 1998-99 and Appendix 4 for 1999-2000.

Key Results Commitments

The following chart provides the foundation for performance reporting by the CFIA. The chart outlines the Agency’s key results commitments to the Canadian public and provides a measurement strategy to assess the performance of the Agency in meeting these commitments.

<i>To provide Canadians with:</i>	<i>To be demonstrated by:</i>
Safe food and fair labelling practices	<ul style="list-style-type: none"> • timely and appropriate response to food emergencies • industry adoption of science-based compliance practices, for example, HACCP • compliance with federal standards for food safety on domestic and imported products • enhanced consumer awareness and knowledge of food safety issues and practices • effective standards and activities to deter deceptive practices • Canadian food products meeting other governments’ science-based food safety requirements and contributing to the development of jointly-agreed operational methods and procedures
Protection of the health of animals and prevention of the transmission of animal diseases to humans	<ul style="list-style-type: none"> • effective standards and enforcement approaches to control the entry into Canada and domestic spread of regulated animal diseases • effective control of the transmission of animal diseases to humans • compliance of livestock feeds with federal standards for safety, efficacy and labelling • Canadian animals and their products meeting other governments’ science-based animal health requirements and contributing to the development of jointly-agreed operational methods and procedures
Protection of the plant resource base from regulated pests and diseases	<ul style="list-style-type: none"> • effective standards and enforcement approaches to control the entry into Canada and domestic spread of regulated plant diseases and pests • compliance of seed and fertilizer with federal standards for safety, product and process • Canadian plants and their products meeting other governments’ science-based plant protection requirements and contributing to the development of jointly-agreed operational methods and procedures

2.3 Food Safety

Expected Results

- timely and appropriate response to food emergencies
- industry adoption of science-based compliance practices, for example, HACCP
- compliance with federal standards for food safety on domestic and imported products

- enhanced consumer awareness and knowledge of food safety issues and practices
- effective standards and activities to deter deceptive practices
- Canadian food products meeting other governments' science-based food safety requirements and contributing the development of jointly-agreed operational methods and procedures

Highlights of Our Accomplishments

Food safety is the first priority of the Agency. Canadians express a high level of confidence in their food supply and value the safety of the food they eat. In Canada, the CFIA has a critical role to play in the food safety system.

During the past year, we continued to improve food safety and protect Canadians from fraudulent practices. We have done this in the face of significant challenges: increasing international trade, an increasing number of new products, more complex products and new technology issues, to name but a few.

We inspected federally registered food establishments and found high levels of compliance with our regulations for processed products, maple and honey. The results of our inspections of these food products were equally assuring. Compliance levels were also high. For example, domestic processed products had high compliance rates for container integrity, net quantity, standard/composition and grade verification and fresh fruits and vegetables were over 98 percent compliant with chemical residue standards.

The results from our meat inspections were equally encouraging. Condemnation rates for red meat and poultry and the rejection rate for imported meat remained relatively low. The rejection rate for meat that Canada exports went down, continuing a three-year trend. With respect to honey, we found Canadian producer-graders, packers and pasteurisers to be 99 percent compliant with federal regulations and standards for processing. We took action to address adulterated honey, thereby reducing the frequency of fraudulent practice in the honey industry.

In instances where food recalls were necessary, we acted promptly and effectively. Further, we improved our emergency response system by creating the Office of Food Safety and Recall (OFSR) to coordinate our food emergency response with internal and external partners. In cooperation with Health Canada and our provincial and territorial partners, we developed a Food-borne Illness Outbreak Response Protocol to outline roles and responsibilities in food emergency situations.

In the area of consumer food safety education, we continued our active role with the Canadian Partnership for Consumer Food Safety Education, supporting them with funding and services, expanding educational programs and, in partnership with others, produced a food-safety brochure that was sent to every household in Canada.

Progress was achieved in three HACCP-based food safety programs. In federally registered meat plants, the Food Safety Enhancement Program (FSEP) expanded. We have reviewed and approved a total of 230 industry FSEP plans, over twice the number completed in the previous year. In poultry operations, the Modernized Poultry Inspection Program (MPIP) pilot projects are performing well and are on track, attracting applications from other processors. All federally registered fish processing plants have developed and implemented a Quality Management Program (QMP) plan for their processing operations.

2.3.1 Emergency Management

In an emergency, the Agency's primary goal is to protect consumers. Risks to consumers include unsafe or hazardous levels of microbiological, extraneous material or chemical contaminants, or allergens that have not been declared on food labels. As a part of their ongoing work, Agency staff investigate consumer and trade complaints and respond to food safety enquiries. The Agency plays an important role in investigating and identifying potential food hazards and carries out laboratory testing to support food safety investigations. While it is industry's role to implement a food recall in a timely and effective manner, the Agency verifies the effectiveness of the recall. If required, the *Canadian Food Inspection Agency Act* authorizes the issuance of a mandatory recall order to individuals or companies distributing food, plant or animal products which represent a risk to Canadians.

Partnering in Food Emergency Response

Following an outbreak of 100 reported cases of food-borne illness related to E. coli 0157 in November of 1999, the CFIA, in collaboration with Health Canada and the Province of British Columbia, initiated a successful recall of a dry fermented sausage product.

Our emergency response teams are prepared to swing into action 24 hours a day, seven days a week.

Last year CFIA managed 243 food recalls, compared to 257 in 1998-99.

Summary of Recalls by Type and Fiscal Year

	1998-99	% of total	1999-2000	% of total
Microbiological	90	35%	101	41%
Allergen	125	49%	104	43%
Extraneous material	21	8%	24	10%
Chemical contaminants	16	6%	9	4%
Other	5	2%	5	2%
Total	257	100%	243	100%

We created the Office of Food Safety and Recall (OFSR) to coordinate food emergency response with CFIA staff across Canada and with external partners. Timely and effective response to food safety emergencies is the priority of the OFSR. The OFSR established a 24 hour service standard to respond to all Class One food recalls. A review of 50 % of Class One recalls managed by the OFSR demonstrated that the Office was successful in meeting their timeliness service standard in 98 percent of the cases. Due to file distribution in the Agency, it was not possible to select a random sample; however, there are not any known biases in the sample.

Outbreak of salmonellosis in pet treats

In 1999, the Province of Alberta, after an extensive epidemiological investigation, identified the cause of an outbreak of salmonellosis as exposure to contaminated pet treat products, including pig ears and porcine hooves. Concern about public health was high, as there is high exposure to pet treats and 47 percent of reported illnesses were children under 12 years-old. CFIA was called upon to consider whether a risk management response, involving recalls of contaminated pet treat products, could be implemented. The Agency initiated a recall of 19 contaminated pet treat products as part of the coordinated federal-provincial management of this public health risk. The Agency was successful in reducing risk by removing the suspected contaminated product from the marketplace and in communicating, through recall news releases, the

CFIA, Health Canada and their provincial and territorial partners developed a Food-borne Illness Outbreak Response Protocol to articulate roles and responsibilities for the coordinated federal-provincial response to human illness outbreaks attributable to food sources. Health Canada and provincial, territorial and municipal public health officials are important partners in the recall process. Further, Health Canada and the Agency renegotiated the Food Emergency Response Appendix to the Memorandum of Understanding between the two organizations, clarifying the roles of Health Canada in food safety risk assessment and the Agency in emergency response/risk management.

Information on food recalls can be found on CFIA's Web site at www.cfia-acia.agr.ca. You may have recall notices delivered directly to your e-mail account by following the subscription instructions posted on the Web site.

2.3.2 Implementation of HACCP-Based Systems

CFIA has promoted programs based upon Hazard Analysis Critical Control Point (HACCP) procedures in the 2,000 registered agri-food establishments and approximately 1,000 registered fish processing establishments in Canada. HACCP procedures reduce food-safety hazards by preventing their occurrence during the production process. HACCP principles are internationally recognized as an effective means for industry to enhance food safety at all levels of the food processing continuum.

CFIA supports three programs based on HACCP principles: the Food Safety Enhancement Program (FSEP); Modernized Poultry Inspection Program (MPIP); and the Quality Management Program (QMP).

Food Safety Enhancement Program

Our staff...

- worked with industry by providing guidelines and advice in developing FSEP plans and reviewed agri-food industry-designed food safety programs and, when satisfied that they were complete and effective, officially recognized them as HACCP establishments. As of March 2000, CFIA reviewed and approved 230 FSEP plans from agri-food establishments representing a sizable increase over last year. CFIA resources are focussed on reviewing FSEP plans in higher risk meat processing establishments. Over 25 percent of federally registered meat processing establishments in Canada have now received official recognition of their FSEP plans.

Modernized Poultry Inspection Program

Our staff...

- provided continuous supervision and inspection of trained and accredited industry personnel who worked on the line and removed carcasses that presented defects. There are seven pilot establishments in operation representing 10 percent of Canada's 64 federally registered slaughter establishments. Three are phasing in MPIP and four are fully operational. Data available at this time shows that results are excellent in two establishments which have tested the system for at least one year.

Quality Management Program

Our staff...

- worked in co-operation with fish processors to encourage them to develop and submit their re-engineered QMP plans to comply with the recently amended regulations which make it mandatory for all federally registered fish processing establishments to develop, implement and adhere to a re-engineered QMP plan for their processing operations. By March 2000, all federally registered fish processing plants developed and implemented a QMP plan for their processing operations.
- continued to work with 11 importers approved to assess compliance of their imported fish products with Canadian standards under the Quality Management Program for Importers (QMPI).

2.3.3 Consumer Food Safety Education

We made significant progress on the food safety education front primarily through our activities with the Canadian Partnership for Consumer Food Safety Education. The Partnership, founded in December 1997, brings together representatives from industry, consumer, health and environmental organizations, and federal, provincial, territorial and municipal governments to improve consumer understanding of food-borne illness and the measures that can be taken to decrease risks.

The CFIA is a founding member and co-chair of the Partnership and we continue to play a key role by participating actively in its activities and providing funding and services.

Last year we...

- updated the *Fight BAC!*TM Web site.
- managed the development of the *Fight BAC!*TM Kindergarten to Grade 3 Learning Program.
- produced a brochure, with the assistance of Agriculture and Agri-Food Canada (AAFC) and in close collaboration with Health Canada, entitled *Food Safety and You*. The brochure, sent to every household in Canada, informed Canadians about Canada's food safety system and offered food safety tips.

In evaluating the success of the campaign, over 330,000 *Fight BAC!*TM communications tools have been distributed to Canadian consumers. In addition, there were over 164,000 visitors to the Web site, an average of 3,162 visitors per week.

2.3.4 Meat Hygiene Program

Last year, we...

- inspected approximately 800 federally registered meat establishments across Canada, including those involved with poultry, processing, slaughter and storage.
- inspected every animal slaughtered in federally-registered establishments, approximately 633 million animals compared to 606 million in 1998. The condemnation rates by weight are used as a measure of the health of animals. There has been a 0.4 percent condemnation rate by weight for red meat and about three percent for poultry in both 1998 and 1999. Animals and carcasses condemned by CFIA inspectors are not used for human consumption.
- inspected approximately 447,000 tonnes of meat imported into Canada in 1999, an increase of five percent over 1998. In 1999, CFIA inspectors rejected 1.2 percent by weight of imported meat. The rejection rate has remained relatively constant over the last three years. Although the information on reason for rejection is not available for 1999, in past years the most common reasons were violations of Canadian regulations concerning labelling, safety and wholesomeness of meat and meat products. We are currently redesigning the information system required to capture this information. Rejected shipments are either destroyed or removed from Canada. (See table below)

Meat Imports: Rejections

(‘000 kg)	1997	1998	1999
Volume	418,873	425,049	447,213
Rejection by weight	6,978	5,405	5,554
Rejection rate	1.7%	1.3%	1.2%

- inspected about 1,200,000 tonnes of Canadian-produced meat, bound for more than 100 countries, an increase of almost seven percent over 1998. Through multilateral and bilateral agreements, meat intended for export is inspected to ensure that it meets Canadian safety and quality standards and, in some cases, additional requirements imposed by importing countries. In 1999, 0.03 percent by weight was returned to Canada either by the importer or by authorities in the importing country. The rejection rate by weight for exports has shown a downward trend over the past three years. Canada's reputation for meat and meat products is a direct result of our strong domestic program and the positive outcomes of over fifteen foreign reviews of the Canadian system of inspection.

Meat Exports: Rejections by importer or by authorities in importing country

('000 kg)	1997	1998	1999
Volume	984,062	1,126,584	1,203,528
Rejection by weight	1,106	1,042	341
Rejection rate	0.11%	0.09%	0.03%

2.3.5 Honey Program

Last year, we...

- carried out 189 in-depth plant inspections of producer-graders, packers and pasteurisers for sanitary conditions. Our inspectors found them to be 99 percent compliant with federal regulations and standards for processing.
- conducted 218 inspections of domestic honey products. Compliance rates for net quantity and grade standards continue to be very high; the compliance rate for labelling fell from 91 percent (1997/98) to 79 percent (1999/2000). The Agency also tested domestic product and found 99 percent compliance with health and safety standards over the last two years and compliance rates for consumer fraud to be 74 percent in 1998-99 and 100 percent in 1999-2000.
- inspected imported honey and the rate of compliance for chemical residues fell from 96 percent in 1997-98 to 95 percent in 1999-2000. Imported honey products have been targeted for additional sampling. Compliance with Canadian label standards continue to be a problem with imported products. The most common violation is not meeting our bilingual labelling requirements.
- took action on all products found in non-compliance. Those rejected for health and safety reasons were removed from sale. CFIA efforts to target adulterated honey led to a successful prosecution and increased industry awareness and participation with CFIA to ensure the integrity of honey in the Canadian and international marketplace.

2.3.6 Fresh Fruit and Vegetables Program

Last year, we...

- took over 12,700 samples of domestic and imported fruit and vegetable products to test for chemical residues, including pesticides and heavy metals. Overall, this year's compliance rate of 99 percent was consistent with the rates of past years. In cases where the samples exceeded the maximum residue limits, our staff targeted the sources for further surveillance and follow-up action.

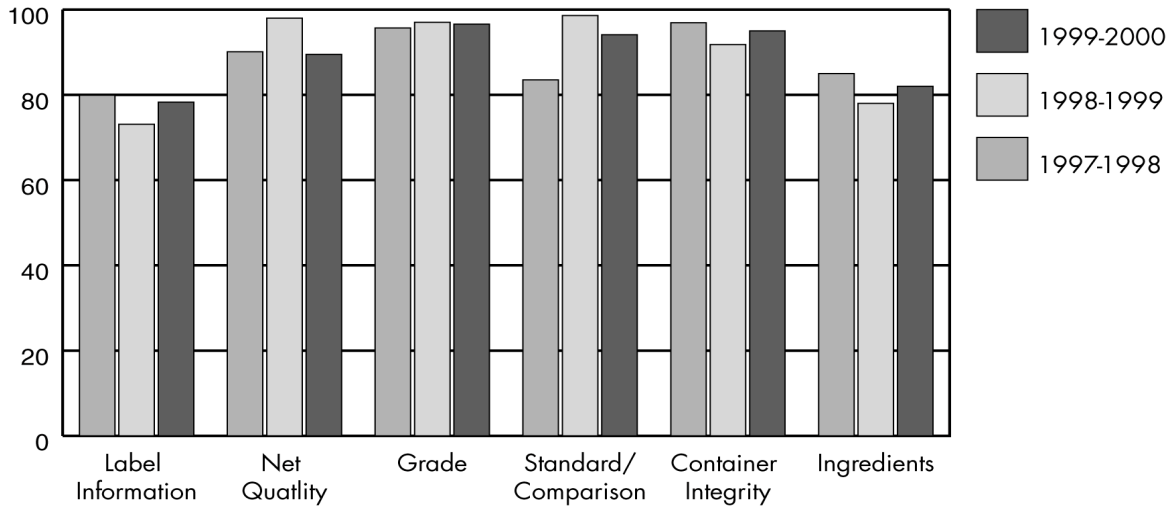
- took over 402 samples for testing to identify associated microbial risks. Of the samples taken, one was found positive for the presence of food-borne pathogens.
- initiated a nationwide special inspection and sampling project for sprouts and evaluated 47 sprout producers. The information was used to develop a draft *Code of Practice for the Hygienic Production of Sprouted Seeds and Beans*.
- carried out 17,069 inspections of fresh fruit and vegetable products imported, exported and shipped inter-provincially to verify non-health and safety issues such as quality standards, packaging and labelling requirements. In cases where CFIA inspectors detained a product, dealers were required to either dump, export (if the product was an import), donate it to a charitable organization, repackage, re-label or re-grade the product detained, in order to have the detention lifted.
- provided technical advice and support to the fresh fruit and vegetables industry leading to the creation of the Fruits and Vegetable Dispute Resolution Corporation (DRC). The DRC was established in response to article 707 of the North American Free Trade Agreement to serve as a private dispute resolution body for the fresh fruit and vegetable sectors in Canada, the United States and Mexico.

2.3.7 Processed Products Program

Last year, we ...

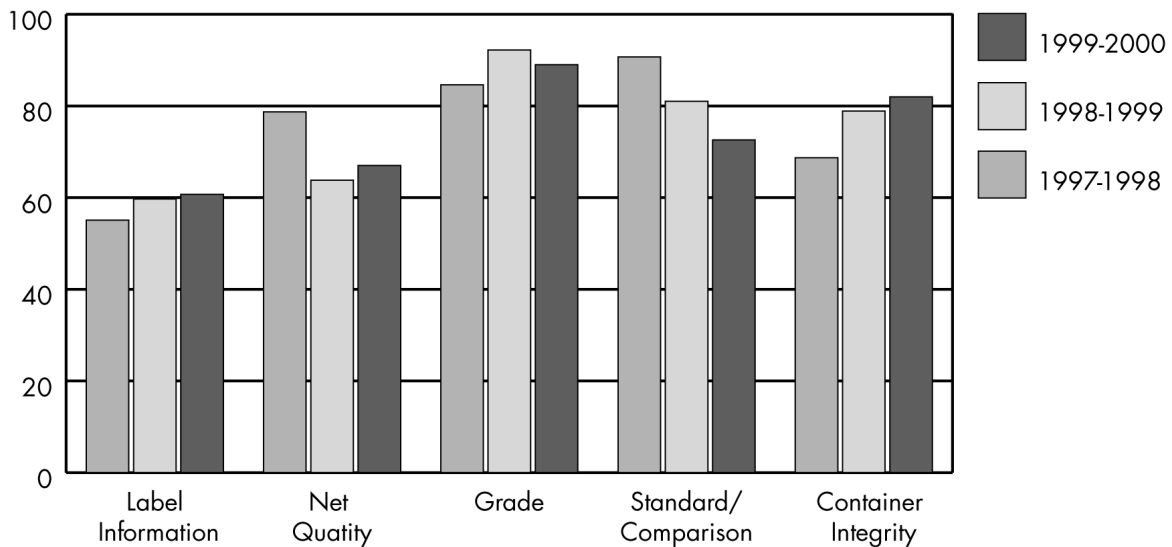
- took some 970 samples under the Agency's monitoring program for product contamination, pesticide residues, heavy metals, container integrity and harmful extraneous matter. Compliance results are not yet available for 1999-2000; however, results for 1998-99 showed high levels of compliance. The compliance levels ranged from 97.8 percent for metal and toxic elements to 100 percent for pesticide residues in domestic products. Tests done for residues (except heavy metals) on regulated processed products imported from 42 countries indicated a compliance level of 99.8 percent. Samples tested for heavy metals (imports) showed a compliance rate of 97.8 percent.
- conducted 211 in-depth inspections of processed fruit and vegetable registered establishments in 1999-2000 and 256 in 1998-99, and found relatively high levels of compliance. Establishments were 95.3 percent compliant in 1999-2000 and 94 percent compliant in 1998-99. CFIA staff followed up with establishments that were non-compliant in order to ensure that corrective actions were being undertaken to address health-hazard related infractions.
- inspected processed products for verification of the following: label information, grade, net quantity, ingredients, standards/composition and container integrity.

**Processed Products Program
Domestic – Level of Compliance by type of verification**



- continued to target imports from countries that have historically lower compliance levels and detained non-compliant products. Those that could not be corrected to meet applicable Canadian standards were either destroyed or re-exported out of Canada.

Import – Level of Compliance by type verification



- carried out safety and consumer protection activities for maple syrup. Staff also inspected establishments associated with maple syrup production; all establishments inspected were in compliance. High levels of compliance were noted for products.
- completed the development and promoted the use of the voluntary Code of Practice for the manufacturing of non-pasteurized fruit juices (i.e., apple cider). Over the last year, no food-borne illnesses related to non-pasteurized cider in Canada were reported to CFIA.

2.4 Animal Health

Expected Results

- effective standards and enforcement approaches to control the entry into Canada and domestic spread of regulated animal diseases.
- effective control of the transmission of animal disease to humans
- compliance of livestock feeds with federal standards for safety, efficacy and labelling
- Canadian animals and their products meeting other governments' science-based animal health requirements and contributing to the development of jointly-agreed

Highlights of Our Accomplishments

Animal diseases pose a serious threat to Canada's animal resource base, to human health, the environment and our economic well being. In recent years, a number of factors have increased this threat including growing international trade, the increasing movement of people throughout the world, climate change affecting animal habitat, the emergence of new diseases and the re-emergence of old ones.

In the face of these significant challenges, CFIA has kept Canada free of transmissible diseases that are considered to be the most serious in terms of public health and socio-economic consequences. Canada is a leading member of the *Office International des Épidémiologies* (OIE), the international organization that provides the world reference for standards concerning animal disease. Member countries must report disease occurrences to the OIE, based on the International Animal Health Code. Canada is one of a few countries that can report that it is free of OIE List A diseases, the most serious transmissible diseases. In addition, through our detection and eradication activities, we have controlled and limited the spread of other animal diseases found in Canada.

In carrying out our responsibilities effectively, we have also contributed to the excellent reputation for quality and safety that Canada enjoys around the world for its animals and animal products. This reputation supports Canada's efforts to expand its markets. In 1999, Canada was successful in entering ten new markets. Fifty-nine million live animals and embryos were exported representing an increase of four percent over the previous year.

Through our work inspecting animal feed, we contributed to both human and animal health. Feed can be the source where many harmful residues — i.e., drugs, heavy metals, and biological and chemical contaminants — may enter the food chain. Due to concerns about bovine spongiform encephalopathy (BSE), rendering plants that produce feed were all inspected and found to be compliant with our regulations.

Lastly, we also worked to control the transmission of animal diseases to humans through our surveillance and testing activities, particularly our successful efforts in controlling the spread of rabies.

2.4.1 Animal Health Program

Our surveillance activities confirmed that Canada is free of those transmissible diseases considered to be the most serious in terms of public health and socio-economic consequences.

In response to world-wide concerns about bovine spongiform encephalopathy (BSE) or “Mad Cow disease”, the Agency has strengthened its surveillance systems. Our officers examined 895 bovine brains histopathologically for BSE. All specimens were negative. We also initiated a program to detect and control chronic wasting disease (CWD) in farmed elk and deer.

Surveillance in Action: Bovine Brucellosis

In 1999, the CFIA conducted a bovine serum survey involving the testing of 17,170 randomly selected cattle. Testing confirmed that Canada’s cattle remain free of bovine brucellosis. In addition, 156,423 cattle were tested for brucellosis, in conjunction with other routine testing programs in slaughter plants, at auction markets and for export reasons.

Canada is a leading member of the *Office International des Épizooties* (OIE). CFIA supports the mission of the OIE by sharing advice and information with the OIE and its member countries, in order to contribute to the eradication of the most dangerous diseases for animals, including those diseases that can be transmitted to humans, and to determine the health standards for international trade. The OIE serves as the world reference for standards concerning animal diseases on which disease control policies or eradication programs are based. Member countries must report disease occurrences to the OIE. List A diseases are transmissible diseases which have the potential for very serious and rapid spread, which have

Disease Control in Action: Bovine Tuberculosis

Confirmation that a captive elk had died of bovine tuberculosis (*M. bovis*) on an Ontario farm led CFIA veterinary staff to take immediate control and eradication measures. All 470 elk on the infected farm were quarantined and subsequently destroyed to prevent the spread of the disease. An extensive investigation was undertaken to locate and test the source herds from which the animals were purchased. Movement controls were put in place while all source herds and susceptible species neighbouring the infected herd were traced and tested. Over 1500 animals were tested and no further evidence of the disease was found. Ongoing surveillance for bovine tuberculosis in cervids is part of the Canada’s control program and is based on the testing, every three years, of all cervid herds that are involved in commercial trade. In 1999, approximately 32,000 tuberculin tests were conducted on farmed elk and deer.

serious public health or socio-economic consequences, and which are of major importance in the international trade of animals and animal products. CFIA reported that Canada remains free of List A diseases, a notable achievement.

List B diseases, as defined by the OIE, are transmissible disease which are considered to be of socio-economic and/or public health importance within countries and which are significant in the international trade of animals and animal products. We identified 12 List B diseases including anthrax on seven premises; bovine tuberculosis in three herds; cysticercosis in beef carcasses from 29 premises; and scrapie in 14 sheep flocks, a significant reduction from 31 infected sheep flocks in 1998.

We examined all 3.3 million cattle slaughtered at registered abattoirs for cysticercosis and tested 77,222 horses for equine infectious anaemia. In 1999, our testing of poultry did not detect any cases of pullorum disease, a serious threat to our commercial poultry flocks. These test results confirmed that the eradication measures implemented in 1998 by the CFIA, during which time 2,900 birds were found to be positive in 27 premises, were successful in eliminating the disease in Canadian poultry flocks. All of the infected flocks were destroyed.

Whenever these diseases were detected, we implemented measures to control their spread, ranging from quarantine to destruction of the animals, herd or flock. In these cases, we compensated producers for the destruction of their herds or flocks. Compensation payments encourage producers to report diseases at an early stage, and help them rebuild their stock. For example, in 1999, all exposed animals in herds identified with bovine tuberculosis and scrapie were destroyed and producers compensated. In 1999-2000, we paid out compensation payments totalling approximately \$4 million.

In 1999-2000, approximately 50 million live animals and over 500,000 embryos and semen doses were imported to Canada. Those that failed to meet our standards were either quarantined, returned to the country of origin or destroyed. In the previous fiscal year, the number of imported live animals was 69 million and over 600,000 embryos and semen.

Fifty-nine million live animals and embryos were exported from Canada, an increase of four percent over the previous year. Our staff inspected and certified that all these animals met foreign country requirements.

Raccoon Rabies

Since 1993, an epidemic of raccoon rabies in the United States threatened to infiltrate Ontario. Rabies is a serious zoonotic disease, readily transmitted from wildlife to domestic animals to humans. Techniques developed by CFIA scientists enabled the identification of the "raccoon strain" of rabies virus in animals entering from the United States.

In July 1999, the first case of "raccoon strain" rabies was detected near Brockville, Ontario. The CFIA, in partnership with the Ontario Ministries of Health and Natural Resources, implemented contingency plans and, to date, have been able to confine the rabies to two areas in Ontario. CFIA's laboratories provided disease test results within 24 hours and animal health experts prescribed control programs for exposed domestic animals.

Canada was successful in opening several new markets for Canadian animal exports. After 17 years, Canada is now permitted to ship cattle to the United Kingdom all year round. As well, 11 new health certification agreements were negotiated, allowing the export of pigeons and wild swine to Mexico, swine to Hungary, bovine semen to Croatia and Latvia, poultry to Poland, eagles to Argentina, cattle to Latvia and bird and sheep semen to Costa Rica.

Canada and China signed an agreement opening the door to significant Canadian pork exports to China. China agreed to accept CFIA data related to porcine respiratory and reproductive syndrome (PRRS) and transmissible gastroenteritis (TGE).

We licensed 52 new veterinary biologics and issued 205 permits for emergency or investigational use of vaccines. Safe and effective veterinary biologics are essential to prevent, treat and diagnose infectious diseases in animals. Review of requests for batch release of vaccines increased 79 percent while the number of new products approved doubled. Reported adverse reactions also increased significantly, likely a result of the increased awareness of veterinarians. We followed up on all cases of major adverse reactions.

Last year, 14 requests for assessment of novel organisms were received. Of these, we approved four. Due to human health or environmental concerns, the remaining requests are still under review in consultation with other departments and agencies.

2.4.2 Feed Program

Last year we registered 1,923 feeds that met regulatory requirements before product release into the market. Our turn-around time to review applications improved from 56 days to 48 days. The industry's response time to our requests for additional information also improved from 95 days to 66 days.

Our feed inspectors continued to carry out a Sulfa Traceback program involving investigations on farms to determine the cause of violative sulfa drugs residues found in pork inspected at federal abattoirs. The improper use of sulfa drugs in the manufacture of livestock feeds may contribute to the presence of unintended residues which pose a threat to food safety. Seventy-two on-site investigations were carried out over three years, targeting suspected sources of improper drug use. In over 60 percent of these cases, we found that the problem was caused by on-farm errors, notably inadequate clean-out of mixing equipment and storage facilities as well as feeding errors.

We also continued to carry out a Heavy Metal Contamination Monitoring program in livestock feeds, taking 181 samples over the past three years. Of these, 12 samples contained cadmium levels greater than the action levels. No samples were found to contain levels exceeding the action limits for lead and arsenic. Sample test results indicated that the most frequent sources of heavy metal contamination were found in mineral mixes and mineral ingredients.

Outbreaks of bovine spongiform encephalopathy (BSE) in the United Kingdom and elsewhere during the 1990s, prompted several countries worldwide, including Canada, to enhance regulatory controls on rendered products. Renderers process some 1.7 million tonnes of inedible animal materials each year. The high quality protein meal produced from the cooking process is used in the manufacture of livestock feeds (90 percent) and pet foods (10 percent). It is important that these products be safe. In 1997, amendments under the *Health of Animals Regulations* introduced manufacturing and labelling requirements for ruminant feeds. We inspected all rendering plants in Canada and they were found to be compliant.

2.5 Plant Protection

Expected Results

- effective standards and enforcement approaches to control the entry into Canada and domestic spread of regulated plant diseases and pests **
- compliance of seed and fertilizer with federal standards for safety, product and process
- Canadian plants and their products meeting other governments' science-based plant protection requirements and contributing to the development of jointly-agreed

** Details follow on two programs in the Plant Protection area: the Seed Program and the Fertilizer Program. Results from the Plant Protection Program will be reported in the 2000-01 Annual Report.

Highlights of Our Accomplishments

Canada is a major agricultural country. Over one half of our agricultural land base of 68 million hectares is arable, requiring seed and fertilizer products for the propagation of crops. Fertilizer products are also commonly used by Canadians in their home plants and gardens. The internal commercial market value for seed and planting materials in Canada is estimated to be over \$800 million and our international trade in seed totals approximately \$200 million annually, split evenly between imports and exports. The CFIA oversees the regulation and inspection of seed imports, pedigreed seed production and domestic and export seed certification. We provide third-party regulatory oversight of the day-to-day operations of the conformity verification body, the Canadian Seed Institute (CSI). CFIA audits of the CSI and CSI quality systems assessors found that CSI quality standards were being applied to meet CFIA standards.

Seed testing of imports showed a high rate of compliance. In addition, over two hundred investigations were carried out to scrutinize seed industry compliance with federal regulations. In addition, samples obtained from market place inspections over three years indicated that 95 percent of pedigreed seed and 84 percent of non-pedigreed seed met minimum standards.

We continued our activities to ensure that fertilizers are effective, accurate in their claims and safe for users, the environment and consumers of agri-food. Fertilizers are very important to Canadian agriculture: generally speaking, 40-50 percent of crop yield can be attributed to fertilizer. Over the last three years, we processed almost 1,800 research notifications, inquiries and requests for product registration, label review, efficacy or safety data review, or authorization to release a novel supplement.

Our inspectors took some 2,400 samples of bulk blend fertilizers during the last three years to verify their compliance with safety and quality standards. We continued to target producers who demonstrated low compliance levels in the past or who did not voluntarily provide test results. During the same period, inspectors took 578 targeted samples of legume inoculants and pre-inoculated seed.

2.5.1 Seed Program

The Agency serves as the Registrar for seed establishments, operators and graders and provides third-party regulatory oversight of the conformity verification body, the Canadian Seed Institute (CSI). Approximately 1,420 of 1,670 seed establishments are operating under the requirements of the CSI. The remainder are expected to meet requirements in 2000. Over the last two years, CFIA audits of the CSI and CSI quality systems assessors found that CSI quality standards were being applied to meet CFIA standards.

All operators and graders are now required to complete evaluations demonstrating their knowledge and ability under Canadian standards. Over 3,000 industry staff (operators and graders) have successfully completed their accreditation requirements since 1996.

Creating the Canadian Seed Institute

The Canadian Seed Institute (CSI) was recognized in December 1998 as a conformity verification body under CFIA legislation. The Agency accepts CSI recommendations for the registration of seed establishments in Canada.

CSI was developed after industry-government consultations that looked at options to both reduce and recover costs. It was agreed that industry would take greater responsibility for quality assurance. The creation of the CSI was supported by the Canadian Seed Trade Association, the Canadian Seed Growers' Association, the Commercial Seed Analysts Association of Canada

CFIA staff continued to sample seed to assess industry performance of imported seed and domestically processed seed offered for sale in the Canadian marketplace as well as seed destined for export markets. A three-year summary of seed testing of imports indicated a compliance rate of at least 96 percent. CFIA seed laboratories received 10,496 samples and completed 15,876 determinations ranging from germination and mechanical purity through to disease and varietal purity analyses. These results provide valuable information on the overall health of the seed industry and forms the basis of the Agency's monitoring and compliance activities.

Agency staff, following producer and/or consumer complaints, scrutinized seed industry compliance with federal regulations through marketplace inspections and investigations. Over two hundred such investigations were completed in 1998-1999. A three-year summary of samples obtained from market place inspections indicated that 95 percent of pedigreed seed and 84 percent of non-pedigreed seed met minimum standards.

Our inspection staff verified seed and growing conditions of pedigreed seed based applications from members of the Canadian Seed Growers' Association (CSGA). Pedigreed seed was grown in 22,743 fields by 4,192 pedigreed seed growers under the auspices of the CSGA. The seed is conditioned and processed by some 1,100 approved conditioner establishments and sold in bulk from another 550 bulk storage facilities across Canada.

Agency inspectors and CFIA-accredited private crop inspectors completed nearly 25,000 seed crop inspections encompassing a total of 518,908 hectares. Seed offered for sale in Canada or destined for export is graded and labelled prior to sale. Inspection reports are submitted to the CSGA which in turn issues crop certificates indicating conformance with varietal standards.

2.5.2 Fertilizer Program

Fertilizer products are a \$5 billion industry in Canada. The range of products subject to regulation is wide and includes, among other things, bulk blended fertilizer for the production of agricultural crops; home and garden fertilizers; fertilizers that contain pesticides; and supplements such as viable microbial products.

In 1999-2000, the Agency monitored the production of bulk blend fertilizer at approximately 1,300 plants across Canada. Samples taken were analyzed to determine whether the products met the nutrient guarantees. Over the last three years, our inspectors took some 2,400 samples of bulk blend fertilizers to verify their compliance with safety and quality standards. The level of compliance was almost four percent less than the 83.7 percent compliance rate in 1998-99. Low compliance levels may be attributed, in part, to the fact that the Agency pursues a sampling strategy that targets producers with historically poor test results.

Promoting Compliance Through Sampling

Over the past three years, CFIA inspectors have taken more than 250 samples of fertilizers and supplements to determine whether products that are sold in Canada, including imports, comply with standards for heavy metals such as cadmium, arsenic, lead and mercury. Products that have been sampled include micronutrient fertilizers, phosphate fertilizers, processed sewage, compost and liming materials.

Non-compliant products are detained and, unless they can be brought into compliance, are disposed of by an appropriate method, such as

During the same three year period, inspectors took 578 targeted samples of legume inoculants and pre-inoculated seed and also found a consistently high level of compliance. Inoculant and pre-inoculated legume seeds are important products because legume crops are a crucial element in crop rotation, or valuable sources of protein and oil. Our staff recorded a 90.6 percent compliance rate in 1999-2000.

We also oversaw sampling and testing under the Canadian Fertilizer Quality Assurance Program (CFQAP), a voluntary industry-Government of Canada program. Under the terms of this program, samples are sent to private accredited laboratories for analysis and results are forwarded to the bulk blender and to the Agency. Last year, the majority of samples were compliant with Canadian legislation.

With respect to new fertilizer products, between 1997 and 1999, we processed some 1,798 research notifications, inquiries and requests for product registration, label review, efficacy or safety data review, or authorization to release a novel supplement.

2.6 Agency-Wide Performance Accomplishments

2.6.1 Science Services and Advice

Laboratory Services

The CFIA's 22 laboratories deliver services that are crucial to the Agency's programs and operations. CFIA's laboratories test and analyze samples submitted by CFIA inspectors for purposes of certification, surveillance and monitoring. They also provide special testing services, information, advice and expertise to CFIA inspection and policy officials as required for investigating issues of concern, outbreaks, or requests for new services. Laboratory personnel also provide research and technology development to meet the Agency's program needs and expert science advice to the Agency's program officers and to international bodies that set standards for food, animal health, and plant health.

CFIA Laboratories in Action

The CFIA strengthened its scientific capacity by consolidating all CFIA laboratories into a single reporting structure. The CFIA's National Centre for Foreign Animal Diseases (NCFAD) was officially opened in June, 1999. The NCFAD is part of the Canadian Science Centre for Human and Animal Health in Winnipeg, a joint initiative of CFIA and Health Canada. The centre contains Canada's first biosafety level-four lab and is the first laboratory complex in the world to house facilities for both human and animal health research. In addition, all CFIA laboratories have either achieved accreditation by the Standards Council of Canada to ISO/IEC Guide 25 (*General Requirements for the Competence of Calibration and Testing Laboratories*), submitted an application for accreditation, or are preparing to do so.

Laboratory Testing Services

Last year, CFIA laboratories provided more than 500,000 test results for import, export and domestic programs. For example, tests were carried out to assess the safety, quality, and accurate labelling of fresh and processed foods, fish and seafood.

Tests performed for the Animal Health Program continued to account for over 75 percent of all tests done in CFIA laboratories (Appendix 5). However, the overall number of animal health program tests continued to decrease, largely due to a decreasing requirement for monitoring and export testing for bovine brucellosis. Over the same period, the number of tests to meet food safety program needs has increased due to the need to provide baseline information for HACCP program development and in response to increased consumer protection activities, including investigations to identify sources of infection.

Chemists in the Laboratories Directorate responded to concerns about possible dioxin contamination of foodstuffs imported from Belgium by testing products for dioxin residues and providing the data to CFIA program officials. This required modifying existing methodology to meet new lower detection limits.

Over the last two years, the CFIA contracted accredited laboratories to perform over 25,000 food safety tests at a cost of over \$2 million. The CFIA continues to promote the transfer, where feasible, of testing services to non-federal laboratories. Agency scientists provide proficiency testing and technical audit services to the Standards Council of Canada and to the Canadian Seeds Institute for their accreditation programs. As well, the CFIA has its own accreditation programs for laboratories that provide tests for certain animal diseases, or for pests of seed potatoes.

Laboratory Research and Technology Development

CFIA laboratory scientists are active in research and technology development on diseases and pests of animals, fish and plants including improved testing and analytical methods to ensure that Canadian foods and other commodities meet international standards for health and safety. In 1999-2000, about 75 percent of CFIA's research and technology development resources were allocated to develop and/or

adapt new technologies to meet the Agency's program delivery needs; and about 25 percent were devoted to developing the basic knowledge about diseases, pests and hazards that Agency officials need for policy development and program design. CFIA laboratory scientists worked on more than 80 long-term research projects. Thirty of these were collaborations with the private sector and industry contributions of \$1.3 million were matched by funds from the CFIA's Matching Investment Initiative (MII) fund.

University Partnership

The University of Guelph and the Canadian Food Inspection Agency (CFIA) signed an agreement in January 2000 to create a unique Canadian research and educational program in food safety regulation. The three-year agreement will benefit Canadian students and pave the way for the establishment, at the University of Guelph, of a Canadian Institute for Food Inspection and

The Agency is collaborating with Canadian sheep breeders and Quebec provincial authorities on a project to evaluate a new test for early detection of scrapie-infected sheep that could be the basis of an effective control program for this serious disease. Scrapie is a transmissible spongiform encephalopathy, similar to BSE disease. As there is currently no test capable of discriminating between animals incubating the disease and those free of scrapie, it is necessary to destroy the entire flock when an infected animal is found. Over the past three years alone, 284 farms in Canada were infected with the disease, and the Agency paid over \$3.4 million in compensation for destroyed animals. The new test will enable us to identify and destroy only the animals with scrapie. We estimate that compensation payments would be reduced by 60-90 percent.

Science Advice

The Science Evaluation Unit (SEU) ensures that well focussed science underlies Agency decisions through providing scientific and technical advice to the President and Executive Committee and representing CFIA at national and international scientific fora.

The SEU in Action

- The SEU spearheaded the Agency's contributions to the Government of Canada's Science and Technology (S&T) initiatives including the Government's response to the Science Advice for Government Effectiveness (SAGE) Report. The SEU coordinated internal consultations and consulted with Agriculture and Agri-Food Canada. The end result of the government-wide consultation process was a set of principles and guidelines for the effective use of science and technology advice in decision-making. Over the coming years, the science components of the Agency will work to align their existing science advice practices with those described in the S&T Framework;
- The SEU organized a veterinary medicine forum and a fish science forum to take a broad look at the role of science within the CFIA, to enhance consistency in the application of sound science, and to reflect the Agency science objectives; and
- The unit produced a major paper on the regulatory aspects of emerging food technology.

2.6.2 Enforcement

CFIA in Action

In 1999-2000, a new national Enforcement and Investigations Services (EIS) Office was created to coordinate enforcement and investigation functions and manage prosecution actions. The Office's role in the prosecution process is to provide advice, guidance and support to CFIA inspectors and managers in all programs and operations with regard to their investigations of non-compliance situations and the related impact assessment. EIS also works closely with CFIA Legal Services and Justice Canada to obtain legal advice regarding the appropriateness of charges. As is highlighted in the case study, this process worked very well and resulted in a successful prosecution. It is anticipated that this case will have a significant deterrent effect.

Provigo Case

In 1997-98 CFIA inspectors, on a routine inspection, encountered a series of occurrences of non-compliance with provisions of the *Food and Drugs Act* (FDA) at a Loeb Inc. store in Ontario. They extended their inspection and investigation activities to other Loeb Inc. stores in Ontario and found further instances of non-compliance. In November, 1999, over 100 charges for various violations of the FDA were laid against Provigo Ltd., with whom Loeb Inc had amalgamated since the time of the alleged offences. The violations included mislabelling meat products, misrepresenting ingredients, misrepresenting original packaging dates, misrepresenting country of origin information, failing to declare pork fat added, and failing to store cooked poultry at the proper temperature. The case was resolved with a guilty plea by Provigo Ltd. to 10 representative charges for violations in their stores in seven different Ontario municipalities. Total fines levied were \$120,000. This was the highest total fine and highest per-charge fine ever levied under these provisions of the FDA.

A revised Enforcement and Compliance Policy was developed to address the Agency's need for a consistent and uniform approach in enforcement procedures and practices across all commodities and regions. The policy emphasizes prosecutions as the preferred response, where evidence exists, to situations of non-compliance which result in a significant impact. The exception to this approach is situations where compliance can be more effectively achieved by some other type of compliance action.

The policy provides CFIA managers with a set of criteria to help them assess the impact and decide on the appropriate enforcement or compliance action to be taken. Compliance actions include product seizure or forfeiture, removal of product from Canada, detention until product is brought into compliance, licence or registration suspension, cancellation or revocation. Compliance actions available vary depending upon the statute under which non-compliance has occurred.

In 1999-2000, there were 464 active investigation files. Eighty-two prosecutions comprising 375 charges or counts were laid and 59 prosecutions, representing 115 charges, were concluded. Most cases were resolved through guilty pleas. Total fines assessed by the courts for those 59 prosecutions were \$228,750.

2.6.3 Biotechnology

Biotechnology uses living organisms to make new products or provide new methods of protection. The term covers all organisms, whether developed traditionally or through the newer molecular techniques such as genetic engineering. In the past decade over 5,500 field trials were conducted on plants developed through biotechnology, and to date 34 plant products have been approved for commercial release.

The CFIA provides the first line of defence to protect Canada's environment from potential safety questions related to agricultural products of biotechnology. In 1993, the Federal Regulatory Framework established the guiding principles for regulations of biotechnology. The document confirmed the regulatory responsibility of the CFIA for environmental assessment for plants, microbial supplements, fertilizers, feeds and veterinary biologics.

Agricultural products of biotechnology regulated by the Agency must undergo environmental evaluations prior to import into Canada, prior to testing in field trials, and prior to commercialization. The CFIA meets its responsibilities through evaluation and inspection.

CFIA evaluators conduct in-depth environmental safety assessments related to biotechnology. These evaluators are highly qualified scientists, supported by specialized expertise within and outside the Agency. External expert panels have been established to access the best available science. CFIA inspectors provide the front-line of protection by ensuring that regulations for the containment of agricultural products of biotechnology are respected. Inspectors work on-site to ensure compliance with the terms and conditions of field trials.

In the Budget 2000, the Government of Canada made a \$90 million commitment to enhance and improve the federal regulatory capacity. The CFIA's Office of Biotechnology played an important coordinating role in the identification of the key regulatory priorities and program initiatives by the six departments and agencies who will receive this funding.

In addition, the Government of Canada established the Royal Society of Canada Expert Scientific Panel, a group of eminent scientists, to provide advice on the future science needs of the regulatory system.

CFIA in Action

The Office of Biotechnology was created to provide a single window for biotechnology policy related to the regulation of agricultural products. The Office provides input to national and international biotechnology initiatives and forums, provides information to the public and responds to media inquiries.

The Canadian Biotechnology Advisory Committee is being supported with information from the Agency. This Committee, established in 1999 under the Canadian Biotechnology Strategy, has a mandate to engage Canadians in a dialogue and to provide independent advice to Ministers. The first project will focus on the social, economic, ethical, legal, regulatory and environmental aspects of foods derived from biotechnology.

The Agency played an important role in the successful negotiation of the Cartagena Protocol on Biosafety in January 2000. The objective of the Protocol is to ensure the safe international trade of living modified organisms.

The Agency shares the responsibility for food labelling policies with Health Canada. CFIA has been leading the federal program in the development of general food labelling policies and regulations not related to health and safety. Specific activities in the area of biotechnology includes the Agency’s active participation in the recent international work of the *Codex Alimentarius* Committee on Food which is developing a labelling approach for food from biotechnology, and the domestic work being done with the Canadian General Standards Board to develop a Canadian standard for the voluntary labelling of foods derived from biotechnology.

The volume and increasing complexity of biotechnology applications are expected to grow. The Agency will continue to apply its “safety first” approach to regulation.

2.6.4 Federal-Provincial/Territorial and International Agreements

Federal-Provincial/Territorial Agreements

CFIA in Action

In December 1999, a framework agreement with the Government of Saskatchewan and 11 district health boards was signed. By signing this memorandum of understanding (MOU), the participants demonstrated their commitment to establishing a more effective system of inspection and enforcement for food safety, a system that minimizes duplication of services, bridges potential gaps and builds on the strengths of each of the participants. Subsidiary agreements will be developed for food recalls, meat inspection, training and emergency preparedness.

Developing consistent, uniform food safety standards

The Canadian Food Inspection System Implementation Group (CFISIG), established to implement the Blueprint for a Canadian Food Inspection System, held its semi-annual meetings in April and September, 1999. CFISIG, a permanent working group made up of officials from all levels of government, is working to develop consistent, uniform food safety standards, for use across the food industry, that are recognized by consumers, industry and governments.

This MOU is the fifth that has been signed by the Agency. It follows successful agreements with Alberta (December, 1997), Ontario (May, 1998), Quebec (May, 1998) and the Northwest Territories (November, 1998). Marked progress has been achieved in entering into collaborative agreements with other provinces and territories.

International Agreements

Canada imports new products from an increasing number of countries and exports rising volumes of agricultural products, food, fish and forestry products. During this past year, CFIA continued to pursue its international strategy both multilaterally and bilaterally. The following are some of the highlights:

CFIA in cooperation with other federal departments, supports the maintenance and development of a coherent international regulatory framework which is both science-based and rules-based, involving a range of trade and environmental agreements as well as standard setting instruments.

World Trade Organization (WTO) Committee on the Application of Sanitary and Phytosanitary Measures (SPS) – CFIA, as head of the Canadian delegation to the WTO SPS Committee, played a leadership role in concluding negotiations of consistency guidelines to assist regulatory authorities in the selection and use of SPS measures intended to achieve a country's desired level of protection.

Codex Alimentarius – CFIA participated, with Health Canada and the Department of Foreign Affairs and International Trade, in discussions within the Codex Committee on General Principles, inter alia, to clarify the role of precaution and the use of non-science factors within a science-based food safety decision making framework used for the development of international standards as well as national measures.

Biotechnology – CFIA was active in a wide range of biotechnology-related international discussions/negotiations. For example, Canada, with the full participation of CFIA, led one of five negotiating groups involving over 130 countries in the conclusion of a multilateral environmental agreement known formally as the Cartagena Protocol on Biosafety under the UN Convention on Biological Diversity. CFIA also spearheaded the development of a Canadian proposal in the WTO to establish a working party on biotechnology with a time-limited, fact-finding mandate to assist countries in coming to a common view about how WTO rules apply to biotechnology and its products.

China's Accession to the World Trade Organization – In conjunction with Canada-China negotiations on China's accession to the World Trade Organization (WTO), the CFIA and China's State Administration for Entry-Exit Inspection and Quarantine (CIQ-SA) signed a Record of Understanding to resolve outstanding Canadian issues related to SPS barriers.

Canada-China Seed Potato Protocol – Canada and China signed a seed potato protocol that permitted, for the first time, commercial shipments of potatoes to enter and be planted in China.

CFIA - FDA Cooperation on Food Safety – For many years the US Food and Drug Administration’s (FDA) “hold and test” practice has been an irritant for Canadian exporters because non-suspect shipments of perishable fresh fruits and vegetables were sometimes held for up to two weeks or more. The FDA and the CFIA have agreed to work together to enhance the safety of food being traded bilaterally.

MOU on Cooperation in Food Safety and Inspection, and Animal and Plant Health – The Minister of Agriculture and Agri-Food and the Minister of Health signed a MOU with Mexico to further enhance cooperation and communication.

CFIA – Agriculture and Livestock Service of Chile MOU on Cooperation and Pork and Related Pork Products – Chile, a major out-of-season supplier of Canadian fresh fruits and vegetables, and the CFIA have taken a step forward in enhancing cooperation with the signing of a MOU on cooperation. A second MOU was signed establishing the conditions under which Canada can export pork to Chile.

The CFIA currently manages over 1500 product-specific bilateral agreements and protocols with other countries on a wide range of food safety and animal and plant health issues. The overarching purpose of this network of agreements is to ensure that Canada’s food safety and animal and plant health standards, as well as those of other countries, are science-based and effectively adhered to in a manner which avoid unnecessarily disrupting trade.

Section III Consolidated Reporting

3.1 Legislative/Regulatory Initiatives

3.1.1 Legislative Initiatives

The proposed *Canada Food Safety and Inspection Act* (formerly known as Bill C-80) was introduced into Parliament on April 22, 1999. The proposed Bill consolidates and modernizes the existing food, agriculture and aquatic commodities and agricultural input statutes and provides Health Canada and CFIA with more effective enforcement tools.

Following the prorogation of Parliament in the fall of 1999, Agency officials met with stakeholders and other interested parties to provide further briefings on the proposed legislation and to obtain suggestions on proposed technical amendments to the Bill.

3.1.2 Regulatory Initiatives

The CFIA is one of several major regulatory agencies/departments in the Government of Canada. In some cases, the nature of the Agency's broad and dynamic operating environment requires that additions and/or changes be made to the Agency's regulatory responsibilities. Over the course of the last year, the following regulatory additions and amendments were approved:

Regulations

- *Fish Inspection Regulations (QMP)*
- *Livestock and Poultry Carcass Grading Regulations (Lamb Standards)*
- *Maximum Amounts for Destroyed Animals Regulations, 1992 (Phase I)*
- *Meat Inspection Regulations, 1990 (Use of Controlled Atmosphere Systems for the Stunning of Food Animals)*
- *Regulations Amending the Health of Animals Regulations (Slaughter Swine)*
- *Regulations Amending the Dairy Products Regulations (Standard Container Size De-regulation)*
- *Regulations Amending the Licensing and Arbitration Regulations (NAFTA Tri-National Dispute Resolution Corporation (DRC))*

Statutory Changes

- *Public Service Rearrangement and Transfer of Duties Act (Consumer Packaging and Labelling Act)*
- Coming into Force of Section 31 of the *Canadian Food Inspection Agency Act*

3.2 Administrative Monetary Penalties Regulations

The *Agriculture and Agri-Food Administrative Monetary Penalties Act (AAAMPA)*, which came into force July 30, 1997, establishes a system of administrative monetary penalties for the enforcement of statutes administered and enforced by the CFIA. AAAMPA authorizes the Agency to issue administrative monetary penalties for non-compliance as an alternative to prosecution.

In 1999-2000, regulations were published in the *Canada Gazette Part I* to bring AAAMPA into effect for violations of the *Health of Animals Act* and the *Plant Protection Act* and their regulations. Policies, procedures, training and communications plans were developed and delivered, with implementation scheduled to take place in 2000.

The *Canada Agricultural Products Act (CAP)* provides for the establishment of a Review Tribunal, an independent body formed to review the imposition of monetary penalties. Last year, the Chairperson for the Review Tribunal was appointed. Ongoing progress in the administration and implementation of an administrative monetary penalty system will continue to strengthen the ability of the Agency to provide a secure animal and plant health inspection system.

3.3 Plant Breeders' Rights

Under the authority of the *Plant Breeders' Rights Act*, CFIA protects the work of plant breeders by granting them the rights to control the multiplication and sale of reproductive material of new varieties. CFIA's Plant Breeders' Rights Office (PBRO) examines applications to determine whether applicants are entitled to receive a grant of rights. To be successful the applicant must demonstrate to the PBRO that the variety under consideration is new, distinct, uniform and stable.

There was a large increase in the number of applications over the previous year. This was due to a regulatory amendment in December 1998 that brought all plant species, excluding algae, bacteria and fungi, under the Act. In calendar year 1999, 549 applications for protection were received (358 in 1998), 147 grants of rights were issued (145 in 1998), and 362 rights were renewed (278 in 1998). Revenues credited to CFIA for this service amounted to \$511,000 (\$427,000 in 1998).

3.4 Cost Recovery

In accordance with the Government of Canada's current Cost Recovery and Charging Policy, CFIA collects fees for some services. The Agency's authority to set user fees is prescribed in various federal statutes, including the *Canadian Food Inspection Agency Act*.

In 1999-2000, CFIA collected a total of over \$53 million in user-fee revenues, an increase of \$3.5 million or seven percent over the previous fiscal year. This increase reflects a greater demand for CFIA services and that individual fees were not increased. The Minister of Agriculture and Agri-Food recently announced a freeze of mandatory fees pending review.

Appendix 6 provides a breakdown of service fees by program for 1999-2000 and for 1998-99.

Section IV Financial Performance

4.1 Financial Performance Overview

The tables in this section provide a financial overview of the Canadian Food Inspection Agency's (CFIA) 1999-2000 performance. Table 1, "Summary of Voted Appropriations" displays the 1999-2000 planned and actual utilization. Table 2 addresses CFIA's initial spending plans, total financial authorities and actual expenditures. Table 3, "Historical Comparison of Total Planned Spending versus Actual Spending" provides an historical perspective on how CFIA's resources have been used. Table 4, "Respendable Revenues", and Table 5, "Non-Respendable Revenues", show the actual revenues for 1997-98, 1998-99 and 1999-2000 planned spending to actual spending. Tables 6, 7, 8 and 9 address the CFIA's Statutory Payments, Transfer Payments and Capital Projects.

CFIA has only one business line and financial information is presented accordingly.

The net change between the initial spending plans of CFIA and its total financial authorities was an increase of \$77.8 million (25.0%). This change is principally due to the following items approved in the 1999-2000 Supplementary Estimates:

- operating budget carry-forward from 1998-99 (\$30.9 million);
- a funding increase due to signed collective agreements (\$28.9 million);
- a funding increase to secure the Agency's program integrity (\$4.1 million);
- a funding increase for the operating and maintenance funding for the Winnipeg Laboratory (\$2.8 million);
- a funding increase to cover costs under the compensation payments for the animals destroyed pursuant to the *Health of Animals Act* (\$2.3 million);
- a funding increase to provide for particular TBS liabilities (TB Vote 5 Paylist Shortfall) for which we do not have authorized funding (\$2.3 million);
- a funding increase of \$1.9 million to be used for the expenditures required to address the Year 2000 information technology problem;
- a funding increase for the Canadian Biotechnology Strategy (\$1.3 million).

The difference between actual financial authorities and actual expenditures is a variance of \$10 million. This difference is primarily attributable to a planned carry-forward in the Capital Vote.

Revenues generated through the charging for inspection fees and services are the largest contributors to the revenues in 1999-2000. The Agency's authority to set user fees is prescribed in various federal statutes, including the *Canadian Food Inspection Agency Act*.

4.2 Financial Summary Tables

The following tables are applicable to the Canadian Food Inspection Agency:

Table 1 – Summary of Voted Appropriations

Table 2 – Comparison of Total Planned Spending to Actual Spending

Table 3 – Historical Comparison of Total Planned Spending to Actual Spending

Table 4 – Respendable Revenues

Table 5 – Non-Respendable Revenues

Table 6 – Statutory Payments

Table 7 – Transfer Payments

Table 8 – Capital Spending

Table 9 – Capital Projects

Table 1 – Summary of Voted Appropriations

Financial Requirements by Authority (\$millions)			
Vote		1999-00	
		Planned Spending	Total Actual Authorities
20	Operating Expenditures ⁽¹⁾	260.6	324.6 ⁽²⁾ 325.6
25	Capital Expenditures	9.4	15.5 4.5
(S)	Contributions to Employee Benefit Plans	39.2	45.0 45.0
(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> .	2.0	3.9 3.9
Total Agency		311.2	389.0 ⁽³⁾ 379.0 ⁽⁴⁾

Notes:

- (1) Total voted contributions are less than \$260K, therefore included in Operating Expenditures Vote.
- (2) Due to the surplus of revenues collected against targets (i.e. \$50.9M versus \$47.4M, actual Operating Expenditures available was \$328.1M).
- (3) Due to the surplus of revenues collected against targets (i.e. \$50.9M versus \$47.4M, actual financial authorities available was \$392.5M).
- (4) Does not include services provided without charge by other Government departments.

Table 2 – Comparison of Total Planned Spending to Actual Spending

	1999-00		
	Planned	Total Authorities	Actual
Departmental Planned versus Actual Spending			
FTEs	4,354.0	4438.0	4438.0
Operating	299.6	369.3	370.5
Capital	9.4	15.5	4.5
Grants & Contributions ^{(1) (2)}	2.2	4.2	4.0
Total Gross Expenditures	311.2	389.0	379.0
Less:			
Respendable Revenues	47.4	47.4	50.9
Total Net Expenditures	263.8	341.6	328.1
Other Revenues and Expenditures			
Non-respendable Revenues	(0.9)	(0.9)	(0.4)
Cost of services provided by other departments	<u>16.5</u>	<u>14.0</u>	<u>14.3</u>
Net Cost of the Program	279.4	354.7	342.0

Notes:

(1) Total voted contributions are less than \$260K, therefore included in Operating Expenditures Vote.

(2) Includes statutory compensation payments

Table 3 – Historical Comparison of Total Planned Spending to Actual Spending

Historical Comparison of Departmental Planned versus Actual Spending (\$ millions)					
	Actual 1997-98	Actual 1998-99	1999-00		
			Planned Spending	Total Authorities	Actual
Canadian Food Inspection Agency ⁽¹⁾	330.0	335.0	311.2	389.0 ⁽²⁾	379.0
Total	330.0	335.0	311.2	389.0	379.0 ⁽³⁾

Notes:

(1) Total voted contributions are less than \$260K, therefore included in Operating Expenditures Vote.

(2) Due to the surplus of revenues collected against targets (i.e. \$50.9M versus \$47.4M, actual financial authorities available was \$392.5M).

(3) Does not include services provided without charge by other Government departments.

Table 4 – Respendable Revenues

Respendable Revenues (\$ millions)					
	Actual 1997-98	Actual 1998-99	1999-00		
			Planned Revenues	Total Authorities	Actual
Canadian Food Inspection Agency	41.9	49.7	47.4	47.4	50.9
Total Respendable Revenues	41.9	49.7	47.4	47.4	50.9

Table 5 – Non-Respendable Revenues

Non-Respendable Revenues (\$ millions)					
	Actual 1997-98	Actual 1998-99	1999-00		
			Planned Revenues	Total Authorities	Actual
Canadian Food Inspection Agency	1.2	1.1	0.9	0.9	0.4
Total Non-Respendable Revenues	1.2	1.1	0.9	0.9	0.4

Table 6 – Statutory Payments

Statutory Payments (\$ millions)					
	1999-00				
	Actual 1997-98	Actual 1998-99	Planned Spending	Total Authorities	Actual
Canadian Food Inspection Agency	2.8	3.4	2.0	3.9	3.9
Total Statutory Payments	2.8	3.4	2.0	3.9	3.9

Table 7 – Transfer Payments

Transfer Payments (\$ millions)					
	1999-00				
Canadian Food Inspection Agency	Actual 1997-98	Actual 1998-99	Planned Spending	Total Authorities	Actual
CONTRIBUTIONS					
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.	0.0	0.0	0.1	0.1	0.0
Contributions in support of those initiatives that contribute to the improvement, advancement and promotion of the federal inspection system.	0.1	0.0	0.1	0.1	0.1
Total Transfer Payments	0.1	0.0	0.2	0.2	0.1

Table 8 – Capital Spending

Capital Spending (\$ millions)						
			1999-00			
	Actual 1997-98	Actual 1998-99	Planned Spending	Total Authorities	Actual	
Canadian Food Inspection Agency	10.0	5.5	9.4	15.5	4.5	
Total Capital Spending	10.0	5.5	9.4	15.5	4.5	

Table 9 – Capital Projects

Capital Projects (\$ millions)						
	Current Estimated Total Cost	Actual 1997-98	Actual 1998-99	1999-00		
				Planned Spending	Total Authorities	Actual
Canadian Food Inspection Agency						
Winnipeg Laboratory	67.3	8.0	0.6	0.0	0.0	0.0
Projects valued at under \$5 million		2.0	4.9	9.4	15.5	4.5

Section V Agency Overview

5.1 Mission & Mandate

Mission

Safe Food, Animal Health, Plant Protection

The Canadian Food Inspection Agency is a science-based federal regulator of food, animals and plants. We are committed to enhance the safety of federally regulated food and contribute to the protection of the health of animals and the plant resource base.

Mandate

The Canadian Food Inspection Agency's mandate is to provide effective control, regulation and enforcement of safety, quality and other regulatory provisions (e.g. plant registration) for federally registered meat and meat products, agricultural products, fish, feeds, seeds and agricultural fertilizers; to enforce federal food safety, nutritional quality and food labelling provisions; to protect animal health by controlling regulated diseases that may affect animals or be transmitted by animals to humans; and to control and/or eradicate regulated pests and diseases injurious to plants.

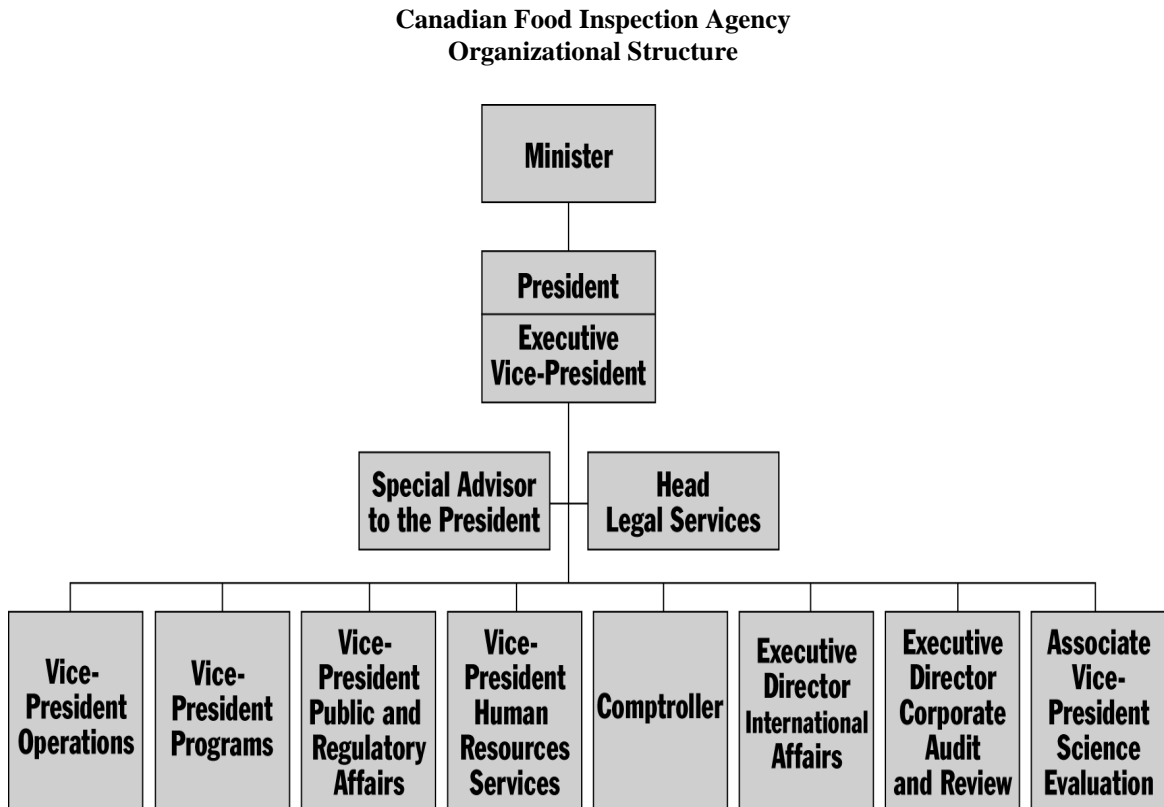
The CFIA administers and/or enforces 13 Acts and their regulations related to food safety, fair labelling practices, animal health and plant protection. With respect to food safety, the CFIA is responsible for enforcing federal legislation, guided by Health Canada policies and standards. Health Canada is responsible for the establishment of policies and standards in regard to the safety of food sold in Canada. In the areas of animal health and plant protection, the CFIA is responsible for policy development, administration and enforcement of the federal mandate.

5.2 Agency Organization

CFIA's headquarters is in the National Capital Region. The Agency delivers its mandate through four operational areas - which collectively cover the entire country. Reporting to the area offices are 18 regional offices, 185 field offices and hundreds of offices in non-government establishments (i.e., processing facilities). CFIA also has 22 laboratories and research facilities across the country.

The Agency's workforce is comprised of over 4,400 highly-trained employees including approximately 1,800 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.



Section VI Other Information

6.1 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.cfia-acia.agr.ca

AREA CONTACTS

Western

Communications Office
Canadian Food Inspection Agency
620 Royal Ave.
New Westminster, B.C. V3M 1J2
Telephone: (604) 666-8813
Fax: (604) 666-6130

Communications Office
Canadian Food Inspection Agency
269 Main St., Rm 613
Winnipeg, MB R3C 1B2
Telephone: (204) 984-6024
Fax: (204) 983-8022

Communications Office
Canadian Food Inspection Agency
220-4th Ave. S.E., Rm. 654
Calgary, AB T2G 4X3
Telephone: (403) 221-3066
Fax: (403) 292-5707

Quebec

Communications Office
Canadian Food Inspection Agency
2001 University St., Rm. 746
Montreal, Que. H3A 3N2
Telephone: (514) 283-8888
Fax: (514) 283-3143

Ontario

Communications Office
Canadian Food Inspection Agency
174 Stone Rd. W.
Guelph, ON N1G 4S9
Telephone: (519) 837-9400
Fax: (519) 837-9783

Atlantic

Communications Office
Canadian Food Inspection Agency
1081 Main St. 5th Floor
P.O. Box 6088
Moncton, N.B. E1C 8R2
Telephone: (506) 851-7910
Fax: (506) 851-2911

6.2 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

<i>Agriculture and Agri-Food Administrative Monetary Penalties Act</i>	S.C. 1995, c. 40
<i>Canada Agricultural Products Act</i>	R.S., c. 20 (4th supp)
<i>Canadian Food Inspection Agency Act</i>	S.C., 1997, c. 6
<i>Consumer Packaging and Labeling Act</i> ²	R.S., c. C-38
<i>Feeds Act</i>	R.S. 1985, c. F-9
<i>Fertilizers Act</i>	R.S., 1985, c. F-10
<i>Fish Inspection Act</i>	R.S., 1985, s. F-12
<i>Food and Drugs Act</i> ³	R.S., c. F-27
<i>Health of Animals Act</i>	S.C. 1990, c. 21
<i>Meat Inspection Act</i>	R.S., c. 25, (1st supp.)
<i>Plant Breeders' Rights Act</i>	S.C. 1990, c. 20
<i>Plant Protection Act</i>	S.C. 1990, c. 22
<i>Seeds Act</i>	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

² 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).

³ 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 Regulations⁴
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).

⁴

Only those sections administered by the CFIA

Appendices

Appendix 1 – CFIA Objectives and Related Performance Information

(This table provides a crosswalk between the objectives in the 1999-2000 RPP and the Agency's new Performance Management Framework)

CFIA OBJECTIVES AND PERFORMANCE INFORMATION	To contribute to a safe food supply and accurate product information	To contribute to the continuing health of animals and plants for protection of the resource base	To facilitate trade in food, animals, plants and their products
Performance Accomplishments by Strategic Priority			
Food Safety			
Emergency Management	✓		
HACCP (FSEP, MPIP and QMP Programs)	✓		✓
Consumer Food Safety Education	✓		
Meat Hygiene Program	✓		✓
Fresh Fruits and Vegetables	✓		✓
Processed Products	✓		✓
Honey Program	✓		✓
Animal Health			
Animal Health Program		✓	✓
Feed Program		✓	✓
Plant Protection			
Seed Program		✓	✓
Fertilizer Program		✓	✓
Agency-Wide Performance Accomplishments			
Laboratories and Laboratory Services	✓	✓	✓
Enforcement	✓	✓	✓
Biotechnology		✓	
Inspection Agreements	✓	✓	✓
Consolidated Performance			
Legislative/Regulatory Initiatives	✓	✓	✓
Administrative Monetary Penalty Regulations		✓	✓
Plant Breeders' Rights		✓	
Cost Recovery	✓	✓	✓

Appendix 2 – Proposed Three-Year Reporting Cycle

PROGRAM/AREA	FREQUENCY OF REPORTING	1999-00	2000-01	2001-02
PROGRAM				
<i>Food Safety</i>				
<i>Meat Hygiene</i>	<i>annual</i>	<i>X</i>	<i>X</i>	<i>X</i>
<i>Fish</i>	<i>biennial</i>		<i>X</i>	
<i>Consumer Food Products</i>	<i>biennial</i>		<i>X</i>	
<i>Fresh Fruits and Vegetables</i>	<i>biennial</i>	<i>X</i>		<i>X</i>
<i>Processed Products</i>	<i>biennial</i>	<i>X</i>		<i>X</i>
<i>Dairy</i>	<i>biennial</i>		<i>X</i>	
<i>Egg</i>	<i>biennial</i>		<i>X</i>	
<i>Retail Food</i>	<i>triennial</i>			<i>X</i>
<i>Honey</i>	<i>triennial</i>	<i>X</i>		
<i>Animal Health</i>				
<i>Animal Health</i>	<i>biennial</i>	<i>X</i>		<i>X</i>
<i>Feed</i>	<i>triennial</i>	<i>X</i>		
<i>Plant Protection</i>				
<i>Plant Protection</i>	<i>biennial</i>		<i>X</i>	
<i>Seed</i>	<i>triennial</i>	<i>X</i>		
<i>Fertilizer</i>	<i>triennial</i>	<i>X</i>		
AREA				
<i>Level of Resources by Program</i>	<i>annual</i>	<i>X</i>	<i>X</i>	<i>X</i>
<i>Enforcement Information</i>	<i>annual</i>	<i>X</i>	<i>X</i>	<i>X</i>
<i>Food Recall/Emergency Management</i>	<i>annual</i>	<i>X</i>	<i>X</i>	<i>X</i>
<i>Plant Breeders' Rights</i>	<i>annual</i>	<i>X</i>	<i>X</i>	<i>X</i>
<i>Laboratories and Laboratory services</i>	<i>annual</i>	<i>X</i>	<i>X</i>	<i>X</i>

**Appendix 3 – Full-Time Equivalents and Expenditures of Inspection Programs for 1998-99
(Based on accrual accounting)**

PROGRAM	FTEs¹	% OF TOTAL FTEs	EXPENDITURES² (\$'000)	% OF TOTAL EXPENDITURES
FOOD SAFETY				
<i>Meat Hygiene</i>	1,525	35.8	117,484	31.4
<i>Fish</i>	444	10.4	40,692	10.9
<i>Consumer Food Products</i>	255	6	22,471	6
<i>Fresh Fruits and Vegetables</i>	192	4.5	17,072	4.5
<i>Processed Products</i>	109	2.5	9,340	2.5
<i>Dairy</i>	101	2.4	8,444	2.2
<i>Egg</i>	88	2.1	7,682	2
<i>Retail Food</i>	79	1.8	6,121	1.6
<i>Honey</i>	<i>See below</i>	<i>See below</i>	<i>See below</i>	<i>See below</i>
Sub-total Food Safety	2,793	65.5	229,306	61.1
ANIMAL HEALTH³				
<i>Animal Health</i>	797	18.7	87,156	23.3
<i>Feed</i>	68	1.6	5,466	1.5
Sub-total Animal Health	865	20.3	92,622	24.8
PLANT PROTECTION				
<i>Plant Protection</i>	451	10.6	41,444	11.1
<i>Seed</i>	133	3.1	9,842	2.6
<i>Fertilizer</i>	20	0.5	1,503	0.4
Sub-total Plant Protection	604	14.2	52,789	14.1
TOTAL	4,262	100	374,717	100

¹ Full-time equivalent (FTE) means a calculation that factors out the length of time an employee works each week. For example, if the scheduled hours of work were the same as the assigned hours of work and both had values of more than 30, the employee is deemed to be full-time. Where the assigned hours of work are less than the scheduled hours of work, the employee is working part-time. The full-time equivalent (or the portion of a full-time schedule worked by the part-time employee) is the ratio of the assigned hours of work to the scheduled hours of work.

² Based on accrual accounting

³ Costs and FTEs associated with this program have been included in the Process Products Program.

Appendix 4 – Full-Time Equivalents and Expenditures of Inspection Programs for 1999-2000 (Based on accrual accounting)

<i>PROGRAM</i>	<i>FTEs¹</i>	<i>% OF TOTAL FTEs</i>	<i>EXPENDITURES (\$'000)</i>	<i>% OF TOTAL EXPENDITURES</i>
<i>FOOD SAFETY</i>				
<i>Meat Hygiene</i>	1,736	39.3	162,916	39.1
<i>Fish</i>	467	10.6	43,906	10.5
<i>Consumer Food Products</i>	250	5.7	23,554	5.7
<i>Fresh Fruits and Vegetables</i>	204	4.6	18,971	4.6
<i>Processed Products</i>	93	2.1	8,658	2.1
<i>Dairy</i>	91	2.1	8,538	2.1
<i>Egg</i>	72	1.6	6,784	1.6
<i>Retail Food</i>	59	1.3	5,376	1.3
<i>Honey²</i>	<i>See below</i>	<i>See below</i>	<i>See below</i>	<i>See below</i>
<i>Sub-total Food Safety</i>	2,972	67.3	278,703	67
<i>ANIMAL HEALTH</i>				
<i>Animal Health</i>	738	16.7	71,209	17.1
<i>Feed</i>	62	1.4	5,882	1.4
<i>Sub-total Animal Health</i>	800	18.1	77,091	18.5
<i>PLANT PROTECTION</i>				
<i>Plant Protection</i>	478	10.8	44,683	10.7
<i>Seed</i>	151	3.4	14,184	3.4
<i>Fertilizer</i>	19	0.4	1,595	0.4
<i>Sub-total Plant Protection</i>	648	14.6	60,462	14.5
TOTAL	4,420	100	416,256	100

¹ Full-time equivalent (FTE) means a calculation that factors out the length of time an employee works each week. For example, if the scheduled hours of work were the same as the assigned hours of work and both had values of more than 30, the employee is deemed to be full-time. Where the assigned hours of work are less than the scheduled hours of work, the employee is working part-time. The full-time equivalent (or the portion of a full-time schedule worked by the part-time employee) is the ratio of the assigned hours of work to the scheduled hours of work.

² Costs and FTEs associated with this program have been included in the Processed Products Program.

Appendix 5 – Laboratory Testing for 1998-99 and 1999-2000

PROGRAM	1998-1999			1999-2000		
	# TESTS (‘000)	% OF TOTAL TESTS	% OF TOTAL TIME	# TESTS (‘000)	% OF TOTAL TESTS	% OF TOTAL TIME
Food Safety						
<i>Meat Hygiene</i>	11.7	1.7	6.2	24.9 ¹	4.6	??
<i>Fish</i>	13.6	2.0	17.5	14.2	2.6	??
<i>Consumer Food Products</i>	6.7	1	13	10.4 ²	1.9	19.0
<i>Fresh Fruits and Vegetable</i>	2.6	0.4	3.2	3.6	0.7	??
<i>Processed Products</i>	6.2	0.9	1.7	4.5	0.8	??
<i>Dairy</i>	9.7	1.4	3.5	8.0	1.5	3.3
<i>Egg</i>	6.9	1.0	??	5.3	1.0	??
<i>Retail Foods</i>	0.2	0.03	0.4	0.5	0.1	0.5
<i>Honey</i>	0.9	0.1	??	0.9	0.2	0.3
Sub Total Food Safety:	58.5	8.5	48.4	72.3	13.4	56.4
Animal Health						
<i>Animal Health</i>	567.7	83.2	31.8	410.5	76.0 ³	26.3
<i>Feed</i>	5.4	0.8	??	4.4	0.8	??
Sub Total Animal Health:	573.1	84	35	414.9	76.8	28.6
Plant Protection						
<i>Plant Protection</i>	33.7	5.0	12	35.9	6.7	??
<i>Seed</i>	15.9	2.3	4.2	15.6	2.9	??
<i>Fertilizer</i>	1.3	0.2	0.4	1.2	0.2	??
Sub Total Plant Protection:	50.9	7.5	16.6	52.7	9.8	15
TOTAL	682.5	100	100	539.9	100	100

¹ The number of sample increased due to changes in the reporting and additional samples for a survey. In addition to this private laboratories performed 25,000 tests under contract for the meat hygiene program

² Program and reporting changes. Increased consumer protection investigations

³ Decreased brucellosis testing

Appendix 6 – CFIA User-Fee Revenues 1998-99 and 1999-2000 (Based on accrual accounting)

<i>PROGRAM</i>	<i>ACTUAL 1998-99 (\$' 000)</i>	<i>% of TOTAL</i>	<i>ACTUAL 1999-00 (\$' 000)</i>	<i>% of TOTAL</i>
<i>Food Safety</i>				
<i>Meat Hygiene</i>	21061	42	21483	40.1
<i>Fish</i>	5468	10.9	7445	13.9
<i>Consumer Food Products</i>	14	-	-	-
<i>Fresh Fruits and Vegetable</i>	5396	10.8	5293	9.9
<i>Processed Products</i>	925	1.9	1089	2
<i>Dairy</i>	987	2	901	1.7
<i>Egg</i>	1026	2	1529	2.9
<i>Retail Food</i>	-	-	-	-
<i>Honey</i>	56	0.1	-	-
<i>Total Food Safety</i>	34933	69.7	37740	70.5
<i>Animal Health</i>				
<i>Animal Health</i>	6155	12.3	7402	13.8
<i>Feed</i>	300	0.6	168	0.3
<i>Total Animal Health</i>	6455	12.9	7570	14.1
<i>Plant Protection</i>				
<i>Plant Protection</i>	4719	9.5	4936	9.2
<i>Seed</i>	3563	7.1	3234	6
<i>Fertilizer</i>	113	0.2	112	0.2
<i>Total Plant Protection</i>	8395	16.8	8282	15.4
<i>Miscellaneous</i>	305	0.6	1	-
<i>TOTAL USER FEE REVENUES</i>	50088	100	53593	100