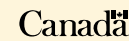
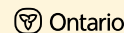


Canadian Food Safety and Quality Program: Systems Development Component

Delivering safe, high-quality food at home and abroad



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This publication is also available electronically on
the World Wide Web at the following address:

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Cat. No. A22-382/2004E-PDF
ISBN 0-662-36223-3



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Food safety and food quality are priorities

Federal, provincial, and territorial governments are committed to ensuring that food produced in Canada continues to be among the safest and highest quality in the world.

As part of the Agricultural Policy Framework (APF), Canadian governments are working with farmers and the agriculture and agri-food industry to help them develop and implement government-recognized safety and quality-control systems, from the field right through to the retail and food-service level. They are also developing ways to track and trace products through the entire food chain, also known as the agri-food continuum.

These efforts will complement the food safety surveillance and information systems already in place, and will enhance the sector's ability to identify and respond to food safety issues and concerns.

The Canadian Food Safety and Quality Program: Systems Development Component

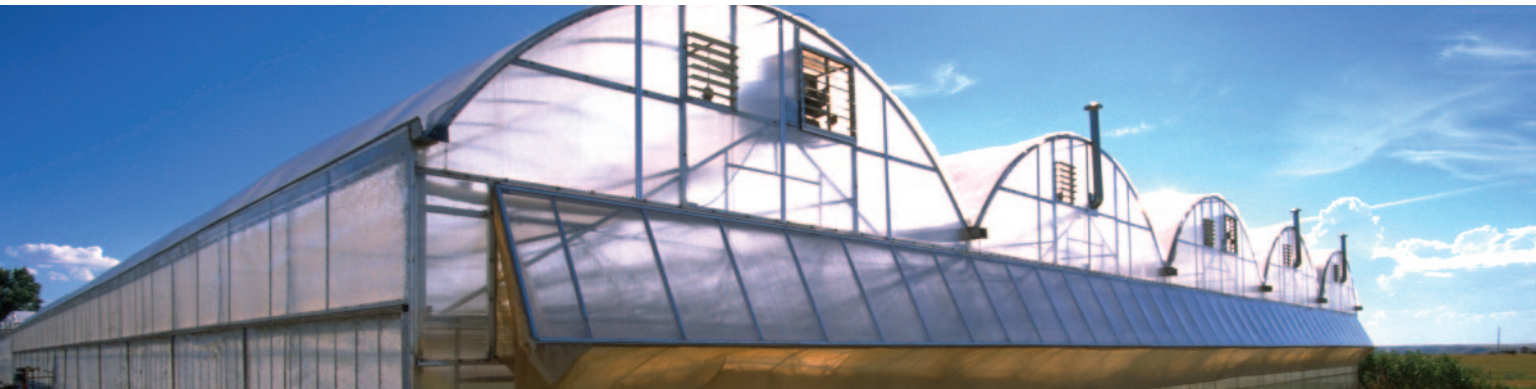
The Systems Development Component of the Canadian Food Safety and Quality Program (CFSQP) is a partnership between Canadian governments and national agriculture and agri-food organizations.

The overall goal of the Systems Development Component is to facilitate industry momentum in developing and implementing government-recognized food safety and food quality process-control systems throughout the entire food chain.

The CFSQP Systems Development Component is an investment of \$62 million, and consists of three elements—**food safety**, **food quality**, and **traceability**.

Specifically:

- the **food safety element** focuses on reducing exposure to hazards using the definitions and principles of the Hazard Analysis Critical Control Point (HACCP);
- the **food quality element** focuses on meeting or exceeding market specifications; and
- the **traceability element** encourages the development of processes that can trace the history, location, and associated food safety and quality standards of food products from field to fork.



Who can participate in the program?

To be eligible to participate in the program, you must be:

- a Canadian national, non-profit organization that is involved directly or indirectly in producing, marketing, distributing, or preparing food; or
- a Canadian regional, non-profit organization that is not represented by entities at the national level, and that can demonstrate its ability to deliver a national initiative.

What projects are eligible for funding?

To be eligible for funding, your project must support the development and implementation of national, credible, government-recognized systems in the areas of food safety, food quality, and underlying traceability systems.

Only systems that deal with food products for human consumption, as well as related inputs that would affect food safety or food quality, such as animal feed, are eligible for funding.

Note

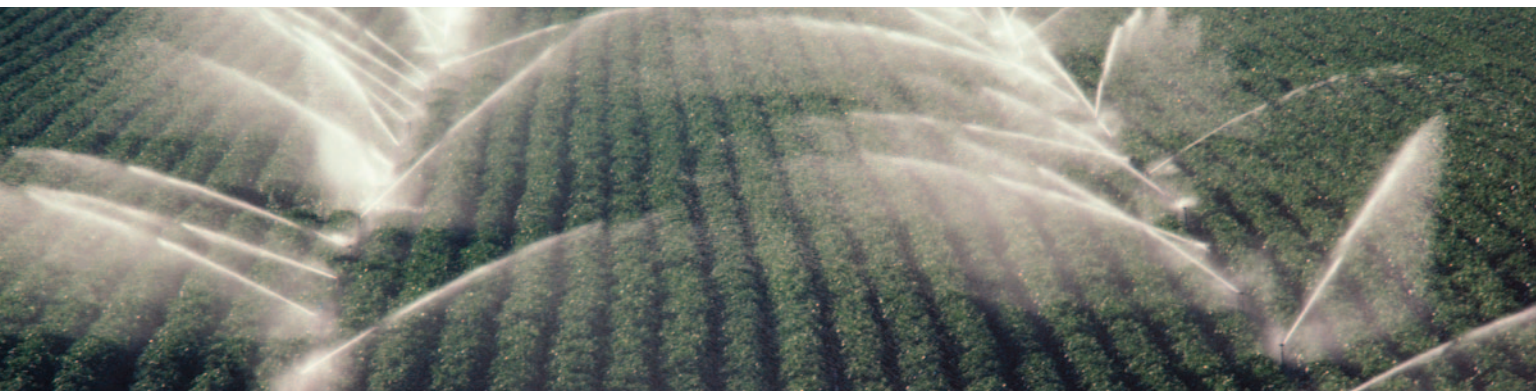
- Systems for non-food products (including pet foods) are not eligible under this program.
- Aquaculture and seafood products are not eligible for funding.

To be eligible for funding, you must complete an application form. On the form, you must:

- demonstrate that the systems you propose to develop and/or implement are national in scope;
- consider systems development that integrates food safety, food quality, and traceability elements (this does not imply that all elements must be developed but, at a minimum, you must explain how these elements could be integrated now or in the future—preference may be given to projects that include an underlying traceability component);
- provide a clear demonstration of how the proposed project fits within the rest of the agri-food continuum; and
- meet CFSQP Systems Development objectives, principles, and criteria (see page 10 for details).

Note

If Agriculture and Agri-Food Canada (AAFC) approves your project proposal, your organization will have to sign a contribution agreement.



Project phases and funding levels

The CFSQP Systems Development Component will share the cost with industry of developing national food safety, food quality, and traceability projects. Projects that are eligible for funding will move through a four-phase process that concentrates on food safety, food quality, and traceability systems, or a combination of all three. The federal contribution for each phase will vary, as explained later.

The amount of funding, which is available by phase and by applicant, is determined by the size of a sector and whether your organization has already obtained funding for systems development through previous AAFC initiatives. Please note that all funded projects must be completed no later than December 31, 2007.

The following provides a brief explanation of each phase of project development, and outlines the amount of funding available for each phase.

Phase 1: Establishing a national integrated strategy incorporating food safety, food quality, and traceability

This phase forms the basis of an integrated approach by considering all three elements of the CFSQP Systems Development Component—food safety, food quality, and underlying traceability systems. In this phase, organizations will:

- identify issues that need to be addressed;
- articulate goals;
- determine the activities to be undertaken to help achieve those goals; and
- determine whether their sectors are ready to implement systems.

Funding available

Projects in this phase are eligible to receive up to 90% federal program funding, with a 10% industry contribution. Specifically, new applicants can receive up to \$55,000, while existing applicants¹ can receive up to \$35,000.

¹ Existing applicants are those organizations that have previously received funding from AAFC for food safety, food quality, and/or traceability initiatives.



Phase 2: Analyzing and developing the system

In Phase 2, organizations analyze and identify control points and processes, and develop strategies for managing the system. This phase includes documenting processes to:

- ensure participants are properly implementing the system in their establishments and meeting all requirements;
- keep the systems up-to-date;
- collect, monitor, and analyze data; and
- train auditors.

Please note that food safety systems need to follow Codex Alimentarius HACCP principles and definitions.

Examples of Phase 2 activities include preparing:

- guidelines for transferring initiatives to individual operations, including generic models using various media;
- manuals and videos;
- pilot projects;
- self-evaluation procedures for establishments that implement food safety systems; and

- audit protocols for maintaining management systems.

Funding available

Projects in this phase are eligible to receive up to 80% federal program funding, with a 20% industry contribution. Specifically, new applicants can receive up to \$250,000 for small organizations², and \$500,000 for large organizations³, while existing applicants can receive up to \$150,000 for small organizations, and \$300,000 for large organizations.

² Small organizations:

- for on-farm applicants, small organizations are those with fewer than 9,000 producers in a sector
- for off-farm applicants, small organizations are those with fewer than 1,000 establishments in a sector

³ Large organizations:

- for on-farm applicants, large organizations are those with 9,000 or more producers in a sector
- for off-farm applicants, large organizations are those with 1,000 or more establishments in a sector



Phase 3: Developing and disseminating training materials

In this phase, organizations will develop training courses and materials, as well as strategies for delivering the training, to prepare users for implementing systems, and to prepare auditors for verifying that systems have been implemented correctly.

Examples of Phase 3 activities include:

- developing training materials related to the conformance system, management system, and auditor training system;
- organizing information sessions, workshops, meetings, and practical demonstrations showing how food safety, food quality, and traceability systems work; and
- producing communication tools and disseminating them to the sector.

Funding available

Projects in this phase are eligible to receive up to 60% federal program funding, with a 40% industry contribution. Specifically, new applicants can receive up to \$150,000 for small organizations, and \$250,000 for large organizations, while existing

applicants can receive up to \$100,000 for small organizations, and \$200,000 for large organizations.

Phase 4: Creating tools to implement the system at the national level, and to verify participation

In this phase, organizations will:

- develop tools to implement the system(s) at the national-organizational level;
- develop and implement verification tools to gauge levels of participation, and to seek a third-party audit to receive government recognition; and
- develop a communications plan and activities to inform the public that the system has been implemented.

Funding available

Projects in this phase are eligible to receive up to 50% federal program funding, with a 50% industry contribution. Specifically, new applicants can receive up to \$150,000 for small organizations, and \$300,000 for large organizations, while existing applicants can receive up to \$100,000 for small organizations, and \$150,000 for large organizations.



Multi-association projects

Under the CFSQP, funding is available for collaborative initiatives to address systems-development issues that affect a multitude of industry associations. These projects could include negotiations on recognition protocols, management systems, common data systems development, delivery of systems to clients, development of common best management practices (e.g., medicated feeds), and generic training.

Funding levels will be determined on a case-by-case basis.

What expenditures are eligible?

The following expenditures are eligible for funding:

- cost of goods and services, as well as all related shipping or transportation costs;
- incremental cost of services, such as salaries and benefits, or actual project or program disbursements;
- incremental costs for rental or leasing of facilities, equipment, or machinery (the purchase of specialized items needed to execute projects may be eligible, with prior authorization);
- purchase of capital items, such as computers and office equipment, if they are specifically required to execute a project and have received advance approval in writing (reimbursement of capital expenditures will usually be limited to the amount of the asset expended during the life of the project);
- hospitality and travel costs within Treasury Board guidelines; and
- translation of public information.



How to apply

To apply, you must complete an application form. Please be sure to fill out the application form in its entirety. The form is available on-line at www.agr.gc.ca/foodsafetyandquality. You can also request a paper copy of the form by calling 1 800 O-Canada (1 800 622-6232).

The CFSQP Systems Development Component is being delivered through an industry-government partnership.

Applications dealing with quality, traceability, and off-farm food safety should be directed to:

Agriculture and Agri-Food Canada
Canadian Food Safety and Quality Program
Food Safety and Quality Division
Room 415, Sir John Carling Building
930 Carling Avenue
Ottawa, Ontario K1A 0C5

Fax: (613) 759-6438

E-mail: CFSQP-PCSQA@agr.gc.ca

Applications dealing with on-farm food safety initiatives should be directed to:

Canadian Federation of Agriculture
Suite 1101, 75 Albert Street
Ottawa, Ontario K1P 5E7

Fax: (613) 236-5749

E-mail: hholland@cfafca.ca

Note: If you submit your application form to the program administrator by e-mail, be sure to provide the signed "Declaration of the Applicant" by courier or regular mail.



Assessing your application

AAFC and other technical experts with competence in systems development (HACCP, ISO, etc.) will assess all applications received. Officials with the Canadian Food Inspection Agency, Health Canada, or other specialists who have relevant experience—such as experts from universities or provincial governments—will provide independent assessments based on food safety, food quality, and traceability principles and definitions, processes for standards development, and the level of integration.

AAFC will make funding decisions based on the recommendations it receives from a cross-sectoral industry review committee made up of industry members representing the agri-food continuum.

Objectives, principles, and criteria

Projects must be consistent with the following objectives, principles, and criteria.

Objectives

The objectives of the CFSQP Systems Development Component are to:

- facilitate industry in developing and implementing government-recognized national food safety, food quality, and traceability systems throughout the Canadian agri-food continuum;
- support the development of national food safety systems that aid in protecting human health by reducing exposure to hazards throughout the agri-food continuum;
- support the development and implementation of national systems to track and trace foods from the retail level back to the farm;
- contribute to increased consumer confidence in the safety and quality of food produced in Canada; and
- assist the industry in its ability to seek out and capture value-added opportunities by adopting national food safety, food quality, and traceability systems.



Principles

To be eligible for funding, project proposals must:

- be within the mandate of AAFC;
- be consistent with the priorities of the APF (these priorities include food safety and quality, environmental stewardship, innovation, business risk management, renewal of the agriculture and agri-food sector, and branding Canada as the world leader in these areas);
- be in accordance with applicable federal acts, regulations, and environmental directives;
- provide benefits to the public that exceed the benefits to private individuals and firms;
- not duplicate, overlap, or replace federal and provincial programs and delivery mechanisms;
- adhere to federal visibility guidelines on federal funding in all communications; and
- contribute to, or be consistent with, the integrated systems approach within the agriculture and agri-food continuum.

Criteria

To be eligible for funding, project proposals must:

- be national in scope;
- reflect a value-chain approach;
- ensure that eligible expenditures are those incremental costs directly associated with the project;
- include a plan to sustain the system independent of government funding after it is implemented;
- ensure that funds will not be used as direct income support to individuals or firms;
- provide benefits to the industry and public that exceed the costs; and
- ensure that funds do not support normal commercial expansion or ongoing commercial activities.



For more information

For more information about the Canadian Food Safety and Quality Program, please visit AAFC's Web site at www.agr.gc.ca/foodsafetyandquality, or contact the following organizations:

Canadian Food Safety and Quality Program

Sir John Carling Building
Room 415, 930 Carling Avenue
Ottawa, Ontario K1A 0C5

Telephone: (613) 759-6721

Fax: (613) 759-6322

E-mail: CFSQP-PCSQA@agr.gc.ca

Canadian Federation of Agriculture

Suite #1101
75 Albert Street
Ottawa, Ontario K1P 5E7

Telephone: (613) 236-3633

Fax: (613) 236-5749

E-mail: hholland@cfafca.ca

For more details on the Agricultural Policy Framework, please call:

Toll-free telephone: 1 800 O-Canada (1 800 622-6232)

Teletypewriter (TTY) for hearing- and speech-impaired clients: 1 800 465-7735

You can also visit the Web site at www.agr.gc.ca/puttingcanadafirst.

