

Canadian Food Inspection Agency

2006–2007 Estimates

Part III — Report on Plans and Priorities

Approved:

The Honourable Chuck Strahl
Minister of Agriculture and Agri-Food and
Minister for the Canadian Wheat Board



Canadian Food
Inspection Agency

Agence canadienne
d'inspection des aliments

Report on Plans and Priorities

2006–2007



Canada

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Vision:

To excel as a science-based regulator, trusted and respected by Canadians and the international community.

Mission:

Dedicated to safeguarding food, animals and plants, which enhances the health and well-being of Canada's people, environment and economy.

Statement of Values:

Our Values

As employees of the Canadian Food Inspection Agency . . .

- We value scientific rigour and professional and technical competence. These play a crucial role in our decision making. We do not manipulate science to achieve a desired outcome but acknowledge that other factors must be taken into account in this decision making.
- The reputation and credibility of the Agency are vital to our ability to deliver our mandate. As such, we behave, internally and externally, in a way that trust is preserved.
- We are proud of the contributions we make to the quality of life of Canadians. We value dedication and responsiveness from all employees day to day and, particularly, during an emergency.
- We value competent, qualified and motivated personnel, whose efforts drive the results of the Agency.
- To develop effective policies and strategies, we value the perspectives of the stakeholders who are affected by our decisions.
- We maintain our regulatory independence from all external stakeholders. We have the courage to make difficult and potentially unpopular decisions and recommendations, free from personal bias.
- We are committed to our physical and psychological well-being.

Section I: Overview

Minister's Message

I am pleased to present the Canadian Food Inspection Agency's (CFIA) Report on Plans and Priorities for 2006–07. This plan details how the Agency intends to use its resources as it delivers its mandate of safeguarding Canada's food supply and protecting the animals and plants upon which safe and high-quality food depends.

The agriculture and agri-food industry generates prosperity across Canada, employing one in eight Canadians, accounting for more than \$25 billion in exports each year, and generating more than eight per cent of our national GDP. It is an innovative sector that fosters good environmental stewardship and is a key contributor to the vitality of our rural communities and the health of Canadians.

Around the world, Canada is recognized for an effective and comprehensive food safety system. Productivity of Canada's agri-food sector continues to exceed that of other sectors in the economy, and has done so for decades. The sector is constantly evolving to meet the needs of consumers, both at home and abroad, making Canadian agriculture and agri-food products synonymous with high-quality and safety in the global market.

The CFIA is Canada's largest science-based regulatory Agency. Protecting human health is the CFIA's highest priority, as it strives to safeguard Canadians from preventable health risks related to the food supply, as well as those associated with animal diseases transmissible to humans. In addition, CFIA specialists work to prevent foreign animal diseases and invasive alien plant pests from compromising Canada's livestock, crops and forests.

These goals are accomplished through regulatory oversight of the agriculture and agri-food industries, using sound science as a basis for designing and delivering programs applied to food safety, animal health and plant protection, careful stewardship of the animal and plant resource base, and timely and effective response to potential threats to human health.

The Agency has had to confront a number of challenges over the year. With the continued presence of BSE and the emergence of avian influenza in Canada and around the world, the relationship between the natural environment and human and animal health has become acutely evident. Furthermore, concerns over the potential for a global pandemic calls not only for increased vigilance, but also a new and integrated approach to prevention and preparedness from all those involved in safeguarding public health — and will require strong multi-jurisdictional partnerships.

The CFIA's response to these challenges, as well as its ongoing commitment to protect the safety of Canadians and maintain a healthy and abundant animal and plant resource base in Canada, is found in the plans and priorities outlined in this document.

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Strong partnerships are vital to the Agency's success, and I look forward to working with our federal, provincial and territorial partners, and with industry, as we continue to provide an innovative food safety, animal health and plant protection system for all Canadians.

The CFIA will be reporting on the progress against this plan in the Agency's 2006–2007 Departmental Performance Report.

The Honourable Chuck Strahl
*Minister of Agriculture and Agri-Food and
Minister for the Canadian Wheat Board*

1.2 Management Representation Statement

I submit for tabling in Parliament, the 2006–2007 *Report on Plans and Priorities* (RPP) for the Canadian Food Inspection Agency.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2006–2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the Agency's approved Program Activity Architecture (PAA) as reflected in its Management, Resources and Results Structure (MRRS);

- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved planned spending numbers from the Treasury Board Secretariat.

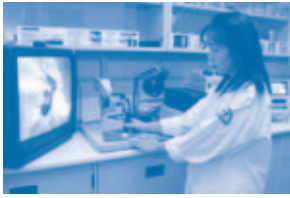
François Guimont
President
Canadian Food Inspection Agency

September 2006

1.3 Plans and Priorities Overview 2006–2007

CFIA'S MANDATE						
The Canadian Food Inspection Agency (CFIA) is mandated to safeguard Canada's food supply and the plants and animals upon which safe and high-quality food depends.						
BENEFITS TO CANADIANS						
Public Health	Economic Growth	Environmental Protection	Public Security	Good Governance		
CFIA'S CONTRIBUTION						
OUR STRATEGIC OUTCOMES	Protecting Canadians from preventable health risks	Protecting consumers through a fair and effective regulatory regime	Sustaining the plant and animal resource base	Promoting the security of Canada's food supply and agricultural resource base	Providing sound Agency management	
PROGRAM ACTIVITIES	Food Safety and Public Health	Science and Regulation	Animal and Plant Resource Protection	Public Security	Governance and Management	
SUB-ACTIVITIES	<ul style="list-style-type: none"> Managing food safety risks Controlling the transmission of animal diseases to humans Regulatory research — Food safety, nutrition and public health 	<ul style="list-style-type: none"> Promoting science-based regulation Maintaining an effective regulatory framework Protecting consumers and the marketplace from unfair practices Certifying exports Regulatory research — Exports and unfair practices 	<ul style="list-style-type: none"> Protecting Canada's crops and forests Protecting Canada's livestock and aquatic animals Assessing agricultural products Regulatory research — Animal and plant resource protection 	<ul style="list-style-type: none"> Preparing for emergencies Enhancing capacity to respond to emergencies Regulatory research — Public security 	<ul style="list-style-type: none"> Finance and administration Human resources management Information management Corporate communication Corporate governance, planning, accountability and stewardship Legal services 	
2006–2007 PLANNED SPENDING (\$MILLIONS)	353.5	119.6	106.7	57.8	n/a*	
CFIA'S FOUNDATION						
Sound science • An effective regulatory base • Effective inspection delivery • Strong partnerships						

* Resources attributable to "Sound Agency management" have been allocated to the four strategic outcomes of the Agency on a pro-rata share

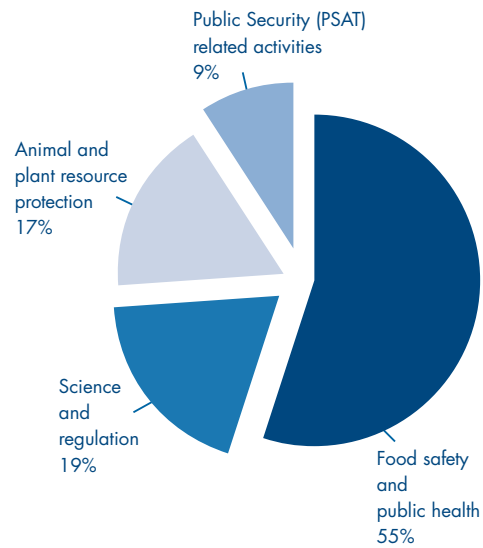


Agency Budget

Financial and Human Resources

Financial Resources (\$ millions)	2006–2007	2007–2008	2008–2009
Net Planned Spending	637.6	630.5	560.9
Human Resources (FTEs)	6,401	6,061	5,861

Spending Profile by Program Activity 2006–2007 (\$ millions)



Program Activities	Planned Spending (\$ millions)		
	2006–2007	2007–2008	2008–2009
1. Food safety and public health	353.3	310.0 ¹	281.4 ³
2. Science and regulation	119.6	115.8	115.9
3. Animal and plant resource protection	106.7	106.3	105.2
4. Public Security (PSAT) related activities	57.8	98.4 ²	58.4
5. Governance and management	n/a*	n/a*	n/a*

* Resources attributable to “Governance and management” have been allocated to the four program activities that comprise the CFIA’s Program Activity Architecture on a pro-rata basis.

¹ The funding for Strengthening Feed Ban Restrictions has been approved until March 31, 2007. Authority to secure ongoing funding will be sought in 2006-07.

² A portion of the funding received to mitigate the impact of the Bovine Spongiform Encephalopathy (BSE) crisis will sunset in 2007-2008.

³ The increase in Planned Spending is attributed to approved funding for Avian and Pandemic Influenza Preparedness.

Summary of Priorities by Strategic Outcome 2006–2007

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Priority	Type	Program Activities/ Expected Results	Planned Spending (\$ millions)		
			2006– 2007	2007– 2008	2008– 2009
Effective response to threats to human health <i>(Food safety and animal diseases that can be transmitted to humans, e.g. rabies, AI, BSE)</i>	Ongoing	<p>Strategic Outcome: Protection from preventable health risks related to food safety or the transmission of animal diseases to humans</p> <p>Program Activity: Food safety and public health</p> <p>Expected Results:</p> <ul style="list-style-type: none"> • Food leaving federally registered establishments for inter-provincial and export trade or being imported into Canada is safe and wholesome • Food safety incidents in non-federally registered facilities and food products produced in them are addressed • Food safety recalls and incidents are contained in a timely and appropriate manner • Animal diseases that are transmissible to humans are controlled within animal populations <p>Strategic Outcome: Security from deliberate threats to Canada's food supply and agricultural resource base</p> <p>Program Activity: Public Security (PSAT related activities)</p> <p>Expected Results:</p> <ul style="list-style-type: none"> • The Agency is in a state of readiness for an effective rapid response to emergencies • The Agency has the capacity to respond to emergencies • Decision making related to food safety, zoonotic diseases and public security is supported by sound and current regulatory research 	386.9	367.1	315.3
Modernizing the regulatory system to address new demands and challenges	Ongoing	<p>Strategic Outcome: Protection of consumers through a fair and effective food, animal and plant regulatory regime that supports competitive domestic and international markets</p> <p>Program Activity: Science and regulation</p> <p>Expected Results:</p> <ul style="list-style-type: none"> • Transparent, rules-based and science-based domestic regulatory framework is maintained • The Agency contributes to the development and implementation of international rules, standards and agreements through international negotiations • Other Governments' import requirements are met 	57.6	56.0	56.1

Summary of Priorities by Strategic Outcome 2006–2007 (continued)

Priority	Type	Program Activities/ Expected Results	Planned Spending (\$ millions)		
			2006– 2007	2007– 2008	2008– 2009
Effective protection of the environment and plant resource base	Ongoing	<p>Strategic Outcome: A sustainable plant and animal resource base.</p> <p>Program Activity : Animal and plant resource protection</p> <p>Expected Results:</p>	53.3	53.3	53.0
Development and implementation of a Pan-Canadian Animal Health Strategy	New	<ul style="list-style-type: none"> • <i>Entry and domestic spread of regulated plant diseases and pests are controlled</i> • <i>Industry complies with federal acts and regulations concerning Canada’s crops and forests and livestock</i> • <i>Entry and domestic spread of regulated animal diseases are controlled</i> • <i>Decision making (including regulation) in regards to animal and plant health are supported by sound, sufficient and current Agency regulatory research</i> 	53.4	53.0	52.2
Sound Agency management	Ongoing	<p>Strategic Outcome: Providing sound Agency management</p> <p>Program Activity: Governance and management</p> <p>Expected Results:</p> <ul style="list-style-type: none"> • <i>Based on assessment against management accountability framework (MAF) indicators and measures of management practice.</i> 	n/a*	n/a*	n/a*

* Resources attributable to “Sound Agency management” have been allocated to the four strategic outcomes that comprise the CFIA’s Program Activity Architecture on a pro-rata basis.



1.4 Introduction to the Agency

More than 6000 professionals are working across Canada to deliver all federally mandated food inspection, plant protection and animal health programs, as well as consumer protection as it relates to food. Four interrelated components or elements are key to the CFIA's success — sound science, an effective regulatory base, effective inspections and strong partnerships.

Sound science

The CFIA is Canada's largest science-based regulatory agency. It relies on science as the basis for designing and delivering its programs and as an essential component of its regulatory decision making. Science is an important tool for dealing with emerging issues such as the development of biotechnology-derived products and issues related to avian influenza and BSE. The specific activities for which the CFIA needs and uses science to support its daily work include laboratory science, risk assessment, surveillance, research and technology development. The Agency also analyses scientific research data and other information in order to provide scientific advice and intelligence that enables CFIA officials to identify and prepare for emerging issues. The CFIA's scientific expertise makes an integral contribution to regulatory policy development not only in Canada, but worldwide.

OUR PEOPLE — IN RECOGNITION OF EXCELLENCE

The Professional Institute of the Public Service of Canada Gold Medal was granted in recognition of the outstanding leadership of the CFIA's Avian Influenza Working Group which has led to the improvement and enhancement of public well-being.

The Ottawa Citizen Vision Award for Human Resources Professional of the Year and **The Hicks Morley Vision Award for Strategic Goals Champion**, Recognize the accomplishments of CFIA's VP of Human Resources in 2006.

The Public Service Award of Excellence honours outstanding employees who have demonstrated excellence in serving Canadians, while reflecting values, ethics and priorities of the federal Public Service. In 2006, this award was granted in the category of Excellence in Citizen-Focused Service Delivery for the work of the CFIA's inter-governmental Japan Beef Market Recovery and in the category of Innovation for the successful development of original and reliable testing methods for residues of banned drugs in livestock.

An effective regulatory base

For a regulatory regime to be effective, regulations must be clear, enforceable, fair and consistently applied. The CFIA is continually reviewing and updating its regulatory base in order to strengthen its capacity to contribute to public policy objectives, taking into account the domestic and international environment in which the Agency undertakes its responsibilities.

Effective inspections

The CFIA is responsible for administering and/or enforcing 13 federal statutes and their respective regulations. Sectors that the Agency regulates include agriculture, agri-food, fish, seafood, horticulture and forestry. Products that may be subject to inspection or certification by the CFIA range from agricultural inputs, such as seeds, feeds and fertilizers, to fresh foods — including meat, fish, eggs, dairy products, fruit and vegetables — and prepared and packaged foods. The Agency establishes compliance and enforcement priorities based on scientifically established risk-based strategies. Compliance with applicable acts and regulations is assessed through inspections, audits, product sampling and verifications. To facilitate compliance, the CFIA carries out education and awareness activities that are intended to clarify and increase regulated parties' understanding of statutory requirements and standards. Where significant non-compliance is identified, the CFIA uses a broad range of enforcement approaches from verbal and written warnings to Administrative Monetary Penalties. Critical to effectively fulfilling the CFIA's mandate is the ongoing design, development and review of inspection-related tools and processes.

THE CFIA'S LEGISLATIVE AUTHORITY

- *Agriculture and Agri-Food Administration Monetary Penalties Act*
- *Canada Agricultural Products Act*
- *Canadian Food Inspection Agency Act*
- *Consumer Packaging and Labelling Act* (as it relates to food)
- *Feeds Act*
- *Fertilizers Act*
- *Fish Inspection Act*
- *Food and Drugs Act* (as it relates to food)
- *Health of Animals Act*
- *Meat Inspection Act*
- *Plant Breeders' Rights Act*
- *Plant Protection Act*
- *Seeds Act*

Strong Partnerships

The CFIA delivers its mandate mostly in areas of shared jurisdiction and responsibility. Strong partnerships with other federal government departments, as well as provincial, territorial, municipal and Aboriginal governments are imperative to the Agency's success. In 2005, CFIA, working with provinces and territories, established a F/P/T Regulatory Committee of Assistant Deputy Ministers (F/P/T Committee) to provide the leadership and strategic advice required to develop and implement coordinated F/P/T regulatory and program initiatives. Due to the pressing nature of animal health issues such as avian influenza (AI) and bovine spongiform encephalopathy (BSE), these have been the focus of the F/P/T Committee over the past six months. The F/P/T Committee will also be focusing on issues related to food (such as meat inspection reform, veterinary drugs, fish), plant (such as invasive alien species, organic agriculture) as well as issues which may impact on the Canadian food inspection system (such as smart regulations), with the view of enhancing our partnerships and contributing to the strength of our regulatory framework.

We all share responsibility for setting and/or enforcing standards that support the integrity of Canada's food safety, animal health and plant protection systems and reinforcing public health strategies and emergency preparedness.

Within the agriculture portfolio, the CFIA has significant bilateral relationships with Agriculture and Agri-Food Canada (AAFC) and the Canadian Grain Commission (CGC). One key area of partnership with the AAFC is the implementation of the Agricultural Policy Framework (APF). Initiatives funded under the APF, and which the CFIA is implementing, include developing and implementing regulations to control the manufacture of medicated feeds, and, with the provinces, implementing the On-Farm Food Safety Recognition Program.

THE CFIA'S KEY FEDERAL PARTNERS:

- Health Canada
- Agriculture and Agri-Food Canada
- Public Safety and Emergency Preparedness Canada including:
 - Canada Border Services Agency
 - Office of Critical Infrastructure and Emergency Preparedness
- Public Health Agency of Canada
- Fisheries and Oceans Canada
- Natural Resources Canada, including Canadian Forest Service
- Foreign Affairs Canada
- International Trade Canada
- Environment Canada, including Canadian Wildlife Service
- Canadian Grain Commission

The CFIA shares unique and complementary roles and responsibilities with other federal departments and agencies. With regard to the safety of Canada's food supply, legislative responsibility is shared. Health Canada is responsible for establishing policies and standards relating to the safety and nutritional quality of food sold in Canada and for the assessment of the effectiveness of the CFIA's programs in achieving compliance with prescribed standards. The CFIA is responsible for food inspection and enforcement activities. The CFIA is also responsible for developing regulations and policies related to non-health and safety related food labelling and compositional standards. With respect to animal health, plant health and food safety



activity at Canada's borders and other points of entry, the CFIA establishes policies and standards and the Canada Border Services Agency (CBSA) enforces them. The CFIA's relationship with the CBSA is key to the effort to keep invasive species out of Canada. Finally, and in light of the threat to human health from zoonotic diseases and the need to protect Canadians from threats to our security, both deliberate and unintentional, the CFIA has developed strong collaborative relationships with the Public Health Agency of Canada (PHAC) and Public Safety and Emergency Preparedness Canada (PSEPC).

The scientific community is another of the CFIA's key partners. The Agency regularly obtains input from scientific experts when developing regulations and policies, designing programs, methods and procedures for inspections, testing and responding to emergencies. In doing so, the CFIA also recognizes the critical importance of working closely with its broad range of stakeholders. These stakeholders include those whom the CFIA regulates, such as registered establishments and importers, farmers, as well as associations representing consumers, public health, animal welfare and environmental interests.

In the global context, the CFIA strives to promote an international regulatory framework, as it relates to the Agency's mandate that is transparent and science-based. The CFIA also leads or participates in a number of international and bilateral agreements and arrangements, in support of Canada's regulatory objectives. Consistent with its international regulatory cooperation framework, the CFIA maintains close relations with key foreign regulatory counterparts.

1.5 Key Strategic Challenges and Risks

The Agency's capacity to achieve its strategic outcomes is influenced by its ability to recognize, assess and manage risk.

In accordance with the Agency's commitment to risk-based planning and the integration of risk management into all decision-making processes, the Agency has completed an intensive process of risk identification and assessment. Ten key strategic challenges and risks have been identified. Each requires management on a priority basis. Accordingly, included in the plans for each of CFIA's priorities for 2006–2007 are specific activities directly aimed at mitigating these challenges and risks.

The following provides a description of each of the CFIA's strategic challenges and risks and identifies the 2006–07 priority that will address the risk. The detailed risk mitigation strategies can be found in Section II of this document.

The CFIA recognizes that some of these risks, such as foodborne illness, zoonoses, and the entry and spread of plant and animal diseases will likely always exist. Accordingly, the Agency's goal is to reduce both the likelihood that these risks will occur and the consequences should they occur by improving our capacity to manage them. The remaining risks should be fully mitigated over time with careful planning and implementation of the plans that follow. Key risk mitigation strategies have been identified throughout this document with the following symbol "♣."



KEY STRATEGIC RISKS AND CHALLENGES

2006–2007
PRIORITIES

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Foodborne illness

The Canadian food supply is safe and nutritious. The CFIA and its regulatory partners, industry and consumer groups have worked to significantly reduce the threat of foodborne illness in Canada; however, the risk that such illness will arise always remains. The Agency has two specific concerns. The first relates to the non-federally registered sector — a sector that encompasses a large number of food manufacturing and distributing establishments. Responsibility for this sector is shared with the provinces. While the products of the sector are subject to regulation, non-federally registered establishments are not subject to federal registration requirements. Inconsistency in inspection coverage across sectors and among provinces has led to gaps. The second concern relates to the increasing volume and diversity of imported food products. Changing consumption and trade patterns have the potential to introduce new risks related to foodborne illness.

Effective response to threats to human health

Detailed Plan:
Section 2.1a

Emergence and/or spread of animal diseases that affect humans (zoonoses)

Animals, both domestic and wild, can transmit disease-causing agents to humans. Bovine spongiform encephalopathy (BSE), avian influenza, the spread of West Nile virus and the detection of new strains of rabies are examples of the potential for diseases of animal origin to affect public health. Incomplete scientific knowledge around the nature and transmission of new and emerging diseases adds to the complexity of managing them. The CFIA protects Canadians from these types of diseases by working in close partnership with the animal health community, livestock producers, provinces, and the international community in promoting early detection, reporting, and control of disease.

Effective response to threats to human health

Detailed Plan:
Section 2.1b



KEY STRATEGIC RISKS AND CHALLENGES

2006–2007
PRIORITIES

International regulatory framework

Retaining, strengthening and reinforcing rules- and science-based approaches within the international regulatory framework will help to secure Canada's regulatory objectives and protect Canadian exporters from discriminatory and unnecessary barriers. The Agency must continue to work through international institutions to help develop and operationalize international rules and in other international fora to promote the development of international standards and policies that are based on sound science to ensure that human, animal, or plant life or health are protected in a world where agricultural trade is expanding.

Modernizing the regulatory system to address new demands and challenges

Detailed Plan:
Section 2.2a

Domestic legislative framework

Outdated statutes and/or insufficient authority could impede the CFIA's ability to fully and effectively carry out its mandate. The CFIA will continue to pursue mechanisms to update and modernize its legislative framework.

Modernizing the regulatory system to address new demands and challenges

Detailed Plan:
Section 2.2b

KEY STRATEGIC RISKS AND CHALLENGES

**2006–2007
PRIORITIES**

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Entry and/or spread of regulated plant and animal pests and diseases that affect the resource base

A healthy and sustainable plant and animal resource base in Canada is critical to the environment and the economy. The CFIA, along with its partners, utilizes numerous measures to identify and reduce threats to the animal and plant resource base, ranging from surveys and movement control to eradication and emergency response. The numerous possible avenues for entry of plant and animal diseases into Canada, together with the potential environmental and/or economic impact of a major animal disease outbreak or the spread of a plant pest, make this a significant challenge that must continue to be actively addressed by the CFIA.

Effective protection of the environment and plant resource base

Development and implementation of Pan-Canadian Animal Health Strategy

Detailed Plan:
Section 2.3a & 2.3b

Bioterrorism

An effective emergency system and the capacity to prevent, detect, and respond are crucial to maintaining Canada’s public safety and security in the face of increasing pressure. The challenge is to maintain well-planned emergency response procedures to protect food, animals and plants from accidental or intentional events. The CFIA must also be able to act rapidly and effectively in response to emergencies. The CFIA recognizes that strong cooperative relationships with its regulatory partners, including other countries, are critical to the success of its security measures.

Effective response to threats to human health

Effective protection of the environment and plant resource base

Detailed Plan:
Section 2.4a & 2.4b

KEY STRATEGIC RISKS AND CHALLENGES

2006–2007
PRIORITIES

Demand for new/enhanced services

Increased demand from producers and consumers for new or enhanced services are expected to place additional pressure on already fully utilized resources. For example, the CFIA must be able to respond to the growth in domestic industries, such as the opening of new meat establishments and more requests for inspection and certification of products. The CFIA must also be able to respond to increasing consumer concerns and needs, such as demands for better information on nutrient content and methods of production (e.g., organic, grain-fed) for food products.

**Sound Agency
management**

**Modernizing the
regulatory system
to address new
demands and
challenges**

Detailed Plan:
Section 2.2a &
2.5b, 2.5d

Performance information

Improved performance information is needed to better support day-to-day and strategic decision making and the ability to report results to the Canadian public. Additionally, the potential for losing electronic data that forms the basis for developing performance information must be addressed.

**Sound Agency
management**

Detailed Plan:
Section 2.5a

KEY STRATEGIC RISKS AND CHALLENGES

2006–2007
PRIORITIES

Financial and human resources

The CFIA constantly faces the challenge of managing resources so that it can both meet ongoing activities, make strategic investments in program redesign and cope with animal and plant health emergencies. With specific regard to human resources, staff with appropriate skills, knowledge and abilities must always be available to manage and fully carry out regulatory duties in the face of new risks and technologies. This requires appropriate and effective training and recruitment.

**Sound Agency
management**

Detailed Plan:
Section 2.5b & 2.5d

Program design

Technological and scientific advancements result in the creation of products that are new to the Canadian environment and agricultural systems. In addition, advancements in science often bring with them a requirement for new methods of detection, testing and surveillance. The CFIA recognizes the need for ongoing review of program design in light of technological and scientific advancements.

**Modernizing the
regulatory system
to address new
demands and
challenges**

**Effective response
to threats to
human health**

**Effective protection
of the environment
and plant resource
base**

Detailed Plan:
Section 2.2b, 2.1a,b,c,
& 2.3a,c



1.6 CFIA's Priorities 2006–2007

Effective response to threats to human health (food safety/zoonotic disease)

Link to Government of Canada Outcomes:

- *Healthy Canadians with access to quality health care*
- *A strong and mutually beneficial North American partnership*

Protecting human health is the highest priority of the CFIA. The Agency strives to protect Canadians from preventable health risks related to food as well as those associated with animal diseases that are transmissible to humans. These threats occur as a result of a number of factors, including globalization, poor food production or handling practices resulting in the introduction of contaminants, animal diseases that are transmissible to humans, as well as threats introduced in a deliberate manner.

In recognition of the complex and multi-jurisdictional nature of the food safety system, federal, provincial and territorial governments are working together to develop a **National Food Safety Strategy**. This work will provide an overarching guidance and a priority-setting mechanism for food policy across departments and jurisdictions that will recognize synergies between health, consumer protection, innovation and the economy.

The CFIA is particularly interested in the potential of the strategy to provide a mechanism to address inconsistency in inspection coverage in the **non-federally registered sector**. This sector is subject to regulation, but not federal registration requirements.

The Agency's systems to control imports are designed to address potential threats associated with the increasing volume and diversity of food products entering the

Canadian market. The Agency, in partnership with the Canada Border Services Agency, will continue to review, assess and evaluate its import programs, processes and controls in order to maintain and build an effective and efficient **import control strategy**.

The interface **between human and animal health** has become acutely evident through experience with diseases such as Bovine Spongiform Encephalopathy (BSE) and avian influenza (AI). While some animal diseases are endemic in Canada (anthrax, rabies) others have recently emerged. These new diseases are important because they may affect a number of species and they can mutate into a form that can be transmitted to humans. Emerging animal diseases are on the increase due to the convergence of a number of factors such as certain farm practices, the domestication of wildlife species, the increasing proximity of livestock populations with wild populations and climate change. All of these may provide new pathways of disease transmission.

Bovine spongiform encephalopathy (BSE) emerged as a new disease of cattle in 1986 (in the United Kingdom) and in 1996 scientific evidence established a linkage between BSE in cattle and a new variant form of Creutzfeldt-Jakob disease (vCJD) in humans. Notwithstanding that the number of reported human cases of vCJD has been much less than was initially predicted, BSE remains a serious, but largely preventable disease with extreme economic consequences. Since BSE was confirmed in Canada (May 2003), the Government has enhanced measures to minimize the risk to public and animal health by enhancing existing BSE programming and implementing additional preventive measures. For example, the CFIA has enhanced the **BSE surveillance program**, expanded Canada's BSE diagnostic capacity, increased inspection of facilities within the animal feed continuum, enhanced animal tracking and tracing, implemented removal of specified risk materials (SRM) from the human food supply and increased investment in BSE research.



Furthermore, the CFIA has proposed regulations to strengthen the existing feed ban by prohibiting SRM in any animal feed, including pet food. In addition, the Agency is meeting the challenge of responding to new import certification requirements from individual trading partners and facilitating increased domestic slaughter capacity to reduce industry reliance on live cattle exports.

Avian influenza is another issue that is a concern from both a human health and animal health perspective. The potential threat of the Asian strain of avian influenza (H5N1, Asian sub-type) mutating to allow human to human transmission and potentially triggering a human influenza pandemic is a worldwide concern. The first and perhaps most important means of protecting human health is to control this disease within the animal population. To that end, the CFIA will continue to **conduct surveillance**, work to **enhance on-farm and industry bio-security** and **enhance laboratory capacity to test samples from birds suspected of being infected**. In addition, the Agency will continue to contribute to international and domestic **emergency preparedness**, should a pandemic emerge. This includes the development of the **Integrated Avian Pandemic Influenza Preparedness Strategy**.

The CFIA plays an important role in the partnership between public health agencies and departments and agricultural and environmental authorities working to control zoonotic diseases. In the areas of research, analysis and information sharing, the CFIA works closely with the Public Health Agency of Canada (PHAC) and Health Canada (HC). In the coming year, the Agency will work toward the development of **integrated surveillance and analysis systems** and contribute to the **Integrated Avian and Pandemic Influenza Preparedness Strategy**. The CFIA and PHAC are also striving to have the National Science Centre for Human and Animal

Health, located in Winnipeg, recognized by the World Organization for Animal Health (OIE) as an **international reference laboratory** for avian influenza and BSE.

In order to address diseases originating or reservoired in wild animals, the CFIA will support the full implementation of the **National Wildlife Disease Strategy**. This multi-departmental initiative, led by Environment Canada, will result in a coordinated disease response aimed at minimizing impacts of wild animal disease.

Deliberate threats to human health via the food supply or in the form of zoonotic diseases are also an issue of **public security**. The Agency, together with its portfolio partners, will continue to actively prepare to respond to emergencies by establishing effective **emergency intergovernmental frameworks and plans**. The CFIA will conduct **emergency exercises** with partners and **conduct post-emergency reviews**. The CFIA will also implement initiatives of the **Security and Prosperity Partnership of North America**, a joint effort of the Governments of Canada, the U.S. and Mexico. The objective of the bio-protection component of this strategy is to assess, mitigate and respond to international threats to public health and the food and agriculture system. A key component of public security is the capacity to detect human health threat agents, such as viruses, parasites, bacteria and other contaminants in food as well as zoonotic diseases in animals. The CFIA will develop effective **rapid detection tests** and expand capability to **detect a broader range of biological and chemical agents in food**, conduct **research on high threat zoonotic diseases**, and continue the development of **surveillance and communication networks**.

Modernize the regulatory system to address new demands and challenges

Link to Government of Canada Outcomes:

- *A fair and secure marketplace*
- *A strong and mutually beneficial North American partnership*

Significant changes to food, animal and plant production methods, processes and distribution, combined with globalization, have put stress on the traditional regulatory model. This phenomenon is not unique to Canada. Worldwide, the pace of technological and scientific advances affecting food production and inspection systems drives **regulatory reform**. The challenge is to respond with modernized assumptions, definitions of risk pathways, performance measurement systems, methods and approaches. The CFIA will respond to new demands and challenges by implementing a new issue identification and streaming process which will include a thorough assessment of instrument options and early and ongoing consultation with stakeholders and partners. The CFIA will modernize the regulatory system by influencing international standard setting, pursuing domestic legislative reform, and enhancing program design, delivery and tools. This modernization effort will be anchored at all times by sound science.

International rules and standards form the basis for regulating agricultural and other exports and imports relevant to the CFIA's mandate. Under World Trade Organization (WTO) rules, standards are set in a variety of regulatory fora, including the International Plant Protection Convention (IPPC), World Organization for Animal Health (OIE) and the Codex Alimentarius Commission. Alignment within North America is a necessary component of regulatory reform and in influencing the development of science-based international rules and practices.

Outdated statutes and/or insufficient legal authority at times impede the CFIA's ability to fully and effectively carry out its mandate. Furthermore, the domestic legislative framework is weakened by inconsistencies between federal, provincial and territorial legislation. Accordingly, the CFIA will continue to pursue a more **modernized, consolidated and enhanced legislative base** that contributes to the effectiveness and efficiencies of the inspection and enforcement activities undertaken by the CFIA. As well, the legislation will need to provide the tools to enable the CFIA to address current and future challenges to Canada's food supply and animal and plant resource base. This initiative is in direct support of the Government of Canada's Smart Regulation Strategy.

The CFIA recognizes the need for ongoing **review of program design in light of a range of factors, including technological and scientific advancements, and changing public expectations and industry practices**. For example, redesign of the **destination inspection program** and the **labelling compliance approach** will address the needs of an expanding fresh produce industry and changing consumer demands for information about the food they eat.

Productivity can also be supported by using **technology to better meet stakeholder demands**. For example, in the area of export certification, which forms an important part of the CFIA's mandate, speed and security of data exchange for export products and eventually, for import products, will be improved by the development and implementation of an electronic, web-based export certification system.



Effective protection of the environment and plant resource base

Link to Government of Canada Outcomes:

- *Strong economic growth*
- *A clean and healthy environment*

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Economic and social well-being are contingent, in part, upon the health and sustainability of Canada's plant resource base — which includes forests, agriculture and horticulture. This resource base provides significant export revenues as well as jobs. As the health of the environment is integral to protecting the sustainability of this resource base, protecting both the plant resource base and the environment on which it depends is an ongoing priority for the CFIA.

The impact of invasive alien species, which are plants or animals that are introduced into Canada that cause harm to local ecosystems, is often severe and irreversible. In fact, invasive alien species are considered the second most significant threat to biodiversity after habitat loss. The **Invasive Alien Species Action Plan** is a multi-departmental strategy to support effective preventative management of this threat. The CFIA's contribution will focus on enhanced and new prevention strategies, including the development and implementation of a new policy for the regulation of invasive alien plants (weeds), enhanced measures for the prevention of the entry of forest pests via wood products, and enhanced survey, risk assessment and detection capabilities.

Careful practices for handling invasive alien plant pests in laboratories are necessary in order to prevent their escape into the environment. The CFIA, with an external interdisciplinary group, is developing **containment standards for facilities that handle plant pests**. These standards, which will be finalized in 2007, will serve as the basis for CFIA approval/recognition of medium to high risk containment facilities and laboratories.

Safe and effective agricultural products such as fertilizers contribute to efficient production and maintenance of healthy crops and the environment. On an ongoing basis, the CFIA assesses the **efficacy and safety of fertilizers and plant products of biotechnology** before they are released into the environment.

Issues related to emerging technologies inevitably raise environmental, economic, ethical and social questions. Plant molecular farming, which is the growing of plants to produce pharmaceutical or industrial compounds instead of food, feed or fibre, is one such recent technology. The CFIA will work with AAFC and other government departments in support of a Government of Canada **policy for second generation products of biotechnology** such as plant molecular farming. In addition, the Agency will consult on regulatory guidelines for commercial production via plant molecular farming in anticipation of the need for related policy decisions.

The CFIA also contributes to the protection of the plant resource base and the environment through **research** activities. The Agency's efforts will focus on developing new or improved methods to detect plant pests and diseases. In addition, the CFIA will seek the best ways to manage high risk pests and diseases.



Pan-Canadian Animal Health Strategy

Link to Government of Canada Outcomes:

- *Strong economic growth*
- *Healthy Canadians with access to quality health care*

The social and economic consequences of traditional and emerging animal diseases can be enormous. Canada's traditional response to animal disease occurrences has been largely focused on managing them. That is, closely monitoring international disease progression, providing protection at the Canadian border, responding rapidly to animal diseases when they are detected in Canada, and administering industry compensation programs to encourage reporting.

In recognition of the interconnectedness of global ecosystems and economies, the CFIA recognizes the need to manage animal health issues both internationally and domestically in an inclusive and integrated manner, and to shift the focus to **strategic, proactive disease prevention**. While admittedly it is more difficult to invest in prevention off-shore, it is no longer appropriate to manage risks only once they occur on Canadian soil.

Public confidence is critical to economic stability and sustainability. Maintaining domestic and international confidence and promoting Canada's economic opportunities requires **modernized legislation** and new approaches to **prevention, preparedness, response and recovery, biosecurity, emergency management, zoning/regionalisation, active disease surveillance, and traceability**.

The **National Animal Health Strategy Framework** will serve to provide a coherent, integrated and inclusive approach between federal, provincial and private sector investments in animal health resulting in complimentary and enhanced capacity to effectively respond to risks along the wildlife, domestic animal and human continuum.

In the context of one world, one health, one medicine, the strategy will optimize animal and public health protection from preventable risks and provide five key deliverables:

- Maintenance of domestic and international confidence in the integrity of Canada's animal health and food safety inspection system;
- Reduction in the social and economic consequences of disease detection will be reduced;
- Greater market access security, predictability and competitiveness for industry and regulated stakeholders;
- Access to the best available science to support evidence based decision making; and
- Consumers will be better informed and more aware as to the investments made to protect their interests.

Wildlife forms an important link in the chain of disease transmission from animals to humans. In an effort to address the risk posed to public health by wildlife, the CFIA will contribute to the implementation of the **National Wildlife Disease Strategy**, led by Environment Canada.

The CFIA will work in partnership with AAFC, the provinces and territories, and industry to develop a **National Livestock Traceability Strategy**, encompassing all livestock species. Regulatory tagging requirements, a national movement strategy and an age verification database, will contribute to enhanced livestock identification and epidemiological tracing requirements, including increased tracking of imported and exported animals.

The protection of Canada's aquatic wild and cultured resources from reportable diseases is critical, both socially and economically. The CFIA will take an active role working jointly with the department of Fisheries and Oceans Canada to implement a **National Aquatic Animal Health Program** which will respond to the evolving, international standards for aquatic animal disease control. This will allow the seafood industry to maintain access to important export markets and ensure the continued growth of the aquatic industry.

Provide Sound Agency Management

Link to Government of Canada Outcome:

- *Good governance / Accountability*

The capacity to effectively and efficiently fulfill any organization's mandate and address priorities requires strong management processes, tools and culture. The Government of Canada, and Canadians in general, have made it clear that they expect responsive, transparent and accountable government.

Treasury Board Secretariat (TBS) has established the Management Accountability Framework (MAF) to assist departments and agencies as they pursue management excellence. Every year, the Secretariat assesses the performance of each federal department and agency against key management indicators.

The CFIA believes that the elements and performance indicators of the MAF provide a solid framework for planning and reporting on Agency management capacity. Consequently, MAF-related initiatives will now be presented in the *CFIA Report on Plans and Priorities* under the outcome entitled "Sound Agency Management". The priorities identified in this section of the report reflect CFIA's response to the results of TBS's annual MAF assessment as well as key risk mitigation strategies that are linked to the Agency's risk profile.

In 2006–07, the CFIA will focus efforts on the identification of clear **performance targets** and **enhanced performance reporting, coupled with building capacity for improved performance measurement analysis**. In addition, the Agency will address a number of issues related to stewardship, including **strengthening information and IT management** and oversight of **procurement and contracting management**. The CFIA will also focus efforts on enhancing its capacity to deliver citizen-focussed services through program delivery initiatives designed to enhance consistency. This includes addressing **official languages capacity** in offices that deal with external stakeholders and the Agency's overall **strategy for external service delivery**, which will address issues such as consistency in service delivery across the country and quality assurance.



Section II: Detailed Analysis of Program Activities

Section II provides more detailed information about the Agency's Program Activities and Sub-Activities. This information is organized according to Strategic Outcome. For each Strategic Outcome, this RPP includes details on what the Agency is doing and plans to do to meet its priorities and move toward achieving its Strategic Outcomes and, ultimately, fulfilling its mandate.

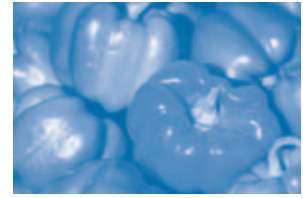
This Section presents the Agency's ongoing work — such as inspection, monitoring, compliance and enforcement activities — and a number of special initiatives. Special initiatives will generally be completed within one to three years. Progress will be reported in the 2006-07 Departmental Performance Report.

The following Exhibit provides a “roadmap” to Section II and reflects the CFIA's Program Activity Architecture (PAA). The PAA defines the relationship between the CFIA's Strategic Outcomes and the Program Activities and Sub-activities that flow from them. Performance targets for most expected results have been established. These targets are based on historical averages of actual performance, or expected results of effective programming (e.g. compliance rate for industry conformity to regulatory standards, control of entry and spread of animal and plant diseases). Development and refinement of performance indicators and targets will continue in 2006–2007.

Performance Information

This is the first CFIA RPP which includes specific performance indicators and targets. These targets establish performance measures and should be viewed as evolutionary as they will continue to be refined and developed in future years.

Measures of performance such as compliance rates, are a measure of industry conformity to standards and regulations as well as an indicator of the extent to which CFIA's inspection activities have contributed to improving industry compliance with acts and regulations. Targets are based on the best available information including historical averages of actual sector or Agency performance, or expected results of effective programming (e.g. compliance rates for industry conformity to regulatory standards or control of entry and spread of animal diseases). The CFIA's response to non-conformity is based on scientifically established risk based strategies. This risk management model focuses compliance and enforcement priorities on areas of high risk and low compliance. This means that the Agency focuses enforcement actions on compliance with regulations that have the most direct or significant impact on the health and safety of Canadians and on animal and plant health.



RPP Section	Our Strategic Outcomes	Program Activities	Sub-Activities
2.1	Protection from preventable health risks related to food safety or the transmission of animal diseases to humans	Food Safety and Public Health	2.1a Managing food safety risks 2.1b Controlling the transmission of animal diseases to humans 2.1c Regulatory research — Food safety, nutrition and public health
2.2	Protection of consumers through a fair and effective food, animal and plant regulatory regime that supports competitive domestic and international markets	Science and Regulation	2.2a Promoting science-based regulation 2.2b Maintaining an effective regulatory framework 2.2c Protecting consumers and the marketplace from unfair practices 2.2d Certifying exports 2.2e Regulatory research — Exports and unfair practices
2.3	A sustainable plant and animal resource base	Animal and Plant Resource Protection	2.3a Protecting Canada’s crops and forests 2.3b Protecting Canada’s livestock and aquatic animals 2.3c Assessing agricultural products 2.3d Regulatory research — Animal and plant resource protection
2.4	Security from deliberate threats to Canada’s food supply and agricultural resource base	Public Security	2.4a Preparing for emergencies 2.4b Enhancing capacity to respond to emergencies 2.4c Regulatory research — Public security
2.5	Providing sound Agency management	Governance and Management	2.5a Risk management, accountability and governance and strategic directions and results and performance 2.5b People, values and learning 2.5c Policy, programs and citizen-focussed service 2.5d Stewardship



The Results Map shown below displays the expected results associated with each of our five Program Activities.

Results Map

Program Activity	Expected Results
Food Safety and Public Health	<ul style="list-style-type: none"> • Food leaving federally registered establishments for inter-provincial and export trade or being imported into Canada is safe and wholesome. • Food safety incidents in non-federally registered facilities and food products produced in them are addressed. • Food safety emergencies and incidents are contained in a timely and appropriate manner. • Animal diseases that are transmissible to humans are effectively controlled within animal populations. • Decision making related to food safety, nutrition and public health is supported by sound, sufficient and current Agency regulatory research.
Science and Regulation	<ul style="list-style-type: none"> • The Agency contributes to the development and implementation of international rules, standards and agreements through international negotiations. • The Agency applies sound and current science to the development of national standards, operational methods and procedures. • Transparent, rules-based and science-based domestic regulatory framework is maintained. • Deceptive and unfair market practices are deterred. • Other governments' import requirements are met. • Decision making related to regulatory development and review, deterring unfair practices, and export is supported by sound, sufficient and current Agency regulatory research.
Animal and Plant Resource Protection	<ul style="list-style-type: none"> • Entry and domestic spread of regulated plant diseases and pests are controlled. • Industry complies with federal acts and regulations concerning Canada's crops and forests. • Entry and domestic spread of regulated animal diseases are controlled. • Industry complies with federal acts and regulations for livestock. • Agricultural products meet the requirements of federal acts and regulations. • Decision making (including regulation) in regards to animal and plant health is supported by sound, sufficient and current Agency regulatory research.
Public Security	<ul style="list-style-type: none"> • The Agency is in a state of readiness for an effective rapid response to emergencies. • The Agency has the capacity to respond to emergencies. • Decision making related to public security is supported by sound, sufficient and current Agency regulatory research.
Governance and Management	<ul style="list-style-type: none"> • Expected results based on Management Accountability Framework (MAF) indicators and measures, as set by Treasury Board Secretariat.

Plans and Priorities — Details

2.1 Protecting Canadians from preventable health risks

“A healthy population is fundamental in securing Canada’s social foundations. Responsibility for public health is shared among federal, provincial or territorial, and municipal governments and an effective health care system requires the collaboration of multiple sectors, such as health, agriculture and environment, and the active participation of individuals, community groups, non-governmental organizations, business and public sector agencies.”⁴

Protecting human health is the highest priority for the CFIA. As a key contributor to the Government’s integrated approach to population health, the Agency, in partnership with others, protects Canadians from preventable health risks related to unsafe food, such as pathogens and undeclared allergens, as well as the risks posed by animal diseases that are transmissible to humans, such as bovine spongiform encephalopathy (BSE) and avian influenza (AI). Additionally, the Agency contributes to population health by ensuring that consumers have appropriate information on which to make safe and healthy food choices.

STRATEGIC OUTCOME

2.1 Protection from preventable health risks related to food safety or the transmission of animal diseases to humans

PROGRAM ACTIVITY & DESCRIPTION

Food Safety and Public Health

The CFIA, along with many federal, provincial and municipal organizations, is working to improve the overall health of Canadians. The CFIA’s primary contribution to this effort is in helping to ensure that food is safe, consumers have appropriate information on which to base healthy food choices, and the transmission of animal diseases to humans is prevented.

PROGRAM SUB-ACTIVITIES

- 2.1a Managing food safety risks
- 2.1b Controlling the transmission of animal diseases to humans
- 2.1c Regulatory research — Food safety, nutrition and public health

EXPECTED RESULTS

- Food leaving federally registered establishments for inter-provincial and export trade or being imported into Canada is safe and wholesome.
- Food leaving non-federally registered establishments is safe and wholesome.
- Food safety recalls and incidents are contained in a timely and appropriate manner.
- Animal diseases that are transmissible to humans are effectively controlled within animal populations.
- Decision making related to food safety, nutrition and public health is supported by sound, sufficient and current Agency regulatory research.

RESOURCE ALLOCATION

	Planned Spending		
	2006–2007	2007–2008	2008–2009
Net Planned Spending (\$ millions)	353.5	310.0	281.4
Full Time Equivalents	3,708	3,400	3,209

⁴ Canada’s Performance 2005, p.29



2.1a Managing food safety risks

Ongoing activities:

Risks to food safety are diverse and complex. Significant hazards that can affect human health may be introduced at any point along the food continuum — from production to processing, to transportation and the practices that consumers follow in handling and preparing food.

The safety of Canada’s food supply begins on the farm. Producing safe agricultural products and protecting them from on-farm hazards is the primary focus of industry-developed on-farm food safety (OFFS) programs. The CFIA is working with the provinces and territories on the OFFS Recognition Program, which formally recognizes national producer food safety programs.

The CFIA has adopted a science-based risk management approach to establishing policy, setting food-safety priorities, and identifying the most appropriate ways to manage food-related risk. Using this approach as its foundation, the CFIA’s inspection and testing programs are planned to take the degree of risk associated with a particular sector into account and to concentrate resources where risk is greatest.

On an ongoing basis, the Agency carries out inspections to verify that regulated food manufacturers, importers and distributors comply with all relevant legislation and regulations. The CFIA promotes compliance through education, inspection and responsible enforcement. When compliance is not achieved, the Agency has at its disposal a number of enforcement options including product detentions and seizures, fines, prosecution and suspension and/or cancellation of registrations.

KEY ELEMENTS OF MANAGING FOOD-SAFETY RISKS

- Inspection and monitoring activities
- Compliance and enforcement activities
- Registrations and approvals
- Food safety recalls and emergency response
- Food safety and nutrition education, awareness and outreach
- Implementation of On-Farm Food Safety (OFFS) Recognition Program
- Program design/re-design

The Agency develops and implements programs and services to ensure that food-safety emergencies are effectively managed. Food recall, an important component of the CFIA’s food emergency response, is aimed at removing from sale and distribution foods that may pose an unacceptable health risk to consumers.⁵

The Agency, through its communication and outreach programs, works with its partners to assist in the promotion of healthy living by increasing consumer awareness of safe food handling practices, food safety risks, and nutrition. The Agency recognizes that more and more consumers are using food labelling as a source of information when making healthy food choices. The CFIA will continue to work with Health Canada on developing policies and regulations governing nutritional and other claims on labels.

⁵ For more information on the CFIA Food Recalls and Allergy Alerts, please visit www.inspection.gc.ca/english/corpaffr/recarapp/recaltoce.shtml



Health Canada and the Public Health Agency of Canada are the CFIA's key federal partners in managing food safety risks. Health Canada is responsible for food safety policy and standards. The Public Health Agency of Canada is the focal point for federal leadership and accountability in managing public health emergencies. The CFIA also works closely with provincial, territorial, municipal and Aboriginal governments, and industry and consumer groups to manage food safety risks.

Special initiatives:

- **✦ Participate in the development of a National Food Safety Strategy:** Food safety legislative authorities and capacities for enforcing food safety requirements vary across federal, provincial and territorial jurisdictions. A strategy is necessary to optimally manage new food safety risks, regulate new food products and provide appropriate inspection coverage of all food sectors and products across Canada. The federal government believes that a National Food Safety Strategy will promote improved decision making by all levels of government, improve collaboration among all levels of government, and contribute to an improved food safety system in Canada. In 2006-07, the CFIA will continue to work with Health Canada, the Public Health Agency of Canada, Agriculture and Agri-Food Canada and provincial and territorial governments to further develop a National Food Safety Strategy. *(Key partners — HC, PHAC, AAFC, Provinces and Territories)*
- **✦ Improve inspection coverage of the 'non-federally registered' food sector:** The "non-federally registered" food sector covers a wide range of products, including infant foods, alcoholic beverages, bakery products, and cereal products. These foods may be traded intra-provincially, inter-provincially, or imported. The jurisdiction for inspection of non-federally registered foods is shared between the CFIA and provincial/territorial governments because the sector also includes a large variety of foods that are traded solely intra-provincially. The CFIA manages this sector using a risk-based management model, prioritizing compliance activities in areas of high risk, enforcement actions in areas of low compliance and gathering intelligence related to contraventions. The CFIA will continue to implement a risk-based approach to compliance and enforcement of the Food and Drugs Act in the sector and will continue to work through the Canadian Food Inspection System Implementation Group to analyze the government authorities and activities associated with the sector with the objective of improving inspection coverage. *(Key partners — HC and Provinces and Territories)*
- **✦ Enhance the consistency of import control programs:** Canadians are consuming a greater variety of foods from a wider range of sources than ever before. Management of food safety risks associated with imported commodities presents challenges that differ from those associated with domestically produced food as a result of varying industry controls and requirements in the countries of origin. The CFIA will identify risk-based projects to encourage good importing practices at the importer level and to enhance import control. The CFIA will also focus on developing a strategy and implementation plan based on the pilot projects for an electronic submission for custom clearance; furthering the implementation of the Import Retrieval System; and promoting the acceptance and implementation of Good Importing Practices (GIP) with industry. These actions will provide more consistency in the design and delivery of import activities. *(Key partner — CBSA)*

✦ Indicates a key strategic risk mitigation strategy

- ✦ **Continue to expand and integrate the Hazard Analysis Critical Control Point (HACCP) approach:**
 The HACCP approach is a systematic and preventative approach designed to help processors meet food safety standards by implementing process controls throughout production; thus preventing food safety hazards from occurring. HACCP-based programs are mandatory for federally registered facilities that produce fish and seafood products and for facilities that slaughter and/or process meat. For the remainder of the federally-registered or licensed food processing sectors, HACCP systems remain voluntary. The CFIA will continue to promote the adoption of the HACCP approach by national associations, groups and individual establishments who are involved directly or indirectly in the

production, distribution and processing of food to enhance food safety from “gate to plate”. The development of HACCP-based management systems for the production, distribution or processing of food both on-farm and post-farm is supported under the Agricultural Policy Framework. In collaboration with the provincial and territorial governments, Health Canada, Agriculture and Agri-Food Canada and National Producer Organizations, the CFIA will continue the development and implementation of the On-Farm Food Safety Recognition Program in 2006–07. The CFIA will also continue to participate with provincial and territorial governments in the development of post-farm recognition systems to address the non-registered sector. *(Key partners — AAFC, HC, Provinces and Territories)*

Table 2.1a Expected results and related indicators for managing food safety risks

Expected Results	Indicators	Performance Targets ⁶
Food leaving federally registered establishments for inter-provincial and export trade or being imported into Canada is safe and wholesome.	Extent to which federally-registered establishments inspected comply with federal food safety requirements.	≥ 98% compliance
	Extent to which domestic food products comply with each test criteria for federal chemical residue requirements.	≥ 95% compliance
Food safety recalls and incidents are contained in a timely and appropriate manner.	Time taken to issue Class I recall public warnings.	100% are issued within 24 hours of a recall decision.
Food leaving non-federally registered establishments is safe and wholesome.	Extent to which projects are developed to address major health risks identified through the science committees	Projects are developed to address ≥ 90% identified major health risks

Compliance targets for specific commodities (meat, fish, dairy, eggs etc.) can be found on the CFIA Web site at www.inspection.gc.ca

⁶ The targets are established performance measures for both industry’s and the Agency’s performance in relation to the expected result. Industry compliance rates of less than 100% are representative of the Agency’s risk-based inspection approach which targets areas of high-risk and past non-compliance. The Agency strives to promote improved industry compliance on a year-to-year basis and has an enforcement and compliance strategy to address all instances of non-compliance. For more information on the targets, please see page 23.



2.1b Controlling the transmission of animal diseases to humans

Ongoing activities:

Recent crises have brought to the forefront the relationship between animal and human health (e.g. BSE, avian influenza). Trends in animal disease appear to indicate that new diseases are emerging and more virulent forms of existing diseases, such as tuberculosis, are on the increase. Biosecurity at the farm level has gained the attention of regulators based on increasing evidence of the link between intensive animal production practices and zoonotic disease, and the potential to minimize the economic consequences of disease detections.

The CFIA's programs are designed and re-designed to address the threat of transboundary animal diseases such as avian influenza and BSE. These programs focus on early detection, rapid response and strong domestic and international coordination. CFIA inspectors, animal health experts and industry stakeholders form the first line of defence in addressing zoonotic diseases.

The CFIA undertakes activities designed to detect and control reportable animal diseases, including responding to emergencies and outbreaks, by using proven science-based processes and enforcing applicable legislation and regulations. When a reportable disease is confirmed the Agency minimizes the spread of infection by implementing disease specific biosecurity measures, including quarantine and movement controls. When eradication activities are necessary, the CFIA ensures humane destruction and appropriate disposal of affected animals, thereby ensuring that other susceptible

KEY ELEMENTS OF CONTROLLING THE TRANSMISSION OF ANIMAL DISEASES TO HUMANS

- Disease surveillance activities
- Inspection and monitoring activities
- Compliance and enforcement activities
- Emergency response to disease outbreaks
- Eradication activities
- Program design/re-design

livestock are not exposed to potential sources of infection. The Agency also addresses the potential for disease-causing agents to remain on infected farms by directing proper sanitation of contaminated premises and disposal of contaminated materials. Working with industry and other partners on policies and practices to enhance biosecurity on farm, the CFIA encourages a comprehensive approach to managing both zoonotic and non-zoonotic reportable diseases.

Surveillance programs are risk-based in their design. By focussing on those animal populations at greatest risk of being affected by a particular disease, Canada's surveillance programs provide an opportunity for early detection of emerging diseases and early recognition of changes in the status of a particular disease (e.g. BSE and avian influenza). CFIA laboratories play an integral part in providing diagnostic services and research support of surveillance activities.



Special initiatives:

• **Establish a high-level avian influenza working group:**

In February 2006, the CFIA established a high-level working group led by a senior veterinarian reporting directly to the President to guide and oversee the development and implementation of the Agency's avian influenza strategy. The strategy focuses on five areas — import controls, surveillance activities, biosecurity, responding to emergencies, and international cooperation.

• **Contribute to an integrated Avian and Pandemic Influenza Preparedness Strategy:**

The CFIA, HC and PHAC are developing an integrated Avian and Pandemic Influenza Preparedness Strategy, making Canada a global leader on animal and public health issues. Investments focus on collaborative surveillance design for early detection of avian influenza through migratory birds assessments and targeted sampling of domestic populations. The focus for 2006–2007 will be:

- Biosecurity awareness and adjustments to husbandry and management practices by industry
- Shared vaccine bank strategies to the hemispheric level for emergency response
- Disease modelling and mapping integration between the CFIA and PHAC
- Shared simulation and preparedness exercise, including many animal health and public health first responders
- Elaboration of a business continuity plan for CFIA to provide critical services over the course of a significant pandemic occurrence

(Key partners — PHAC, HC, AAFC, PSEPC)

• **Develop integrated surveillance and analysis systems for zoonotic diseases:**

The CFIA is developing a Memorandum of Understanding with PHAC and Health Canada to manage emerging diseases including foodborne and zoonotic threats.

(Key partners — PHAC, HC)

• **Contribute to the implementation of the National Wildlife Disease Strategy:**

Diseases originating or reservoired in wild animals, such as avian influenza, Chronic wasting disease (CWD), SARS, Tuberculosis and Lyme Disease are having an increasingly serious impact on biodiversity, human health, agricultural production and economies worldwide. The CFIA will continue to contribute to a multi-departmental initiative to develop a National Wildlife Disease Strategy. The strategy will establish a coordinated national policy, disease response and management framework to minimize the impacts of animal diseases. *(Key partners — EC, including CWS, Provinces and Territories)*

• **Facilitate recognition of the National Science Centre for Human and Animal Health (Winnipeg) as an international reference laboratory for avian influenza (AI) and bovine spongiform encephalopathy (BSE):**

Winnipeg's National Centre for Human and Animal Health is a state-of-the-art laboratory complex, housing the National Microbiology Laboratory, Canada's only safety level four (BSL4) containment laboratory and the CFIA's National Centre for Foreign Animal Diseases. The CFIA, through the office of the Chief Veterinary Officer of Canada, anticipates presenting a proposal to the World Organisation for Animal Health (OIE) general session in early 2006 to gain recognition of the facility as an international reference laboratory for AI and BSE.

• **Continue with the implementation of enhanced BSE programming** (See detailed plan on the pages that follow).

• **Continue to act on commitments identified as part of the avian influenza reviews** (See detailed plan on the pages that follow).

✦ Indicates a key strategic risk mitigation strategy

ENHANCED BOVINE SPONGIFORM ENCEPHALOPATHY (BSE) PROGRAMMING

In May 2003, the first case of BSE was confirmed in an animal born and raised in Canada, an event which necessitated enhancements and revisions to the existing BSE program elements in order to meet domestic and international expectations, as outlined below. Since May 2003, there have been six additional cases of BSE confirmed in animals born and raised in Canada.

BSE surveillance testing — The surveillance program has been enhanced in order to more accurately estimate the level of BSE in Canada. The program targets high risk categories of mature cattle, those most likely to be affected with the disease, for testing. The CFIA has established a minimum of 30,000 samples per year and in 2005 evaluated over 57,700 samples. There are no plans to reduce the number of annual evaluations at this time.

Removal of specified risk material (SRM) from food for human consumption — The removal of SRM from the human food supply is recognized internationally as the most effective food safety measure protecting human health from exposure to the agent of BSE. The CFIA verifies the removal of SRM from cattle slaughtered for human consumption in all federally registered establishments. Through the integrated implementation of federal and provincial/territorial meat inspection systems, an equivalent level of protection with respect to cattle slaughtered in facilities that are not federally registered is also achieved.

Addressing risk in animal feed — In August 1997, the CFIA implemented a ruminant feeding ban as a proactive measure to reduce the potential for BSE to spread within Canada were it to be introduced. Subsequent to the confirmation of BSE in May 2003, the CFIA allocated additional resources to the inspection of facilities within the animal feed continuum, to verify compliance with existing regulations. In December, 2004, in *Canada Gazette* Part I, the CFIA proposed draft regulatory amendments to enhance the feed ban prohibiting SRM in any animal feed, including pet food. The CFIA anticipates finalizing these regulatory amendments this year.

Enhanced export certification — As the scope and breadth of international market access expands, it places increasing demands on all aspects of Canada's export certification program, including upon those who act on behalf of the CFIA to ensure that the export requirements of individual trading partners are consistently met. In support of expanding market access, the CFIA is establishing a corps of veterinary officers to provide ongoing technical support to Canada's key missions abroad.

New BSE import policy — In December 2005, Canada adopted a revised BSE import policy for cattle and bison, and their products. The CFIA is currently developing administrative procedures and regulatory amendments necessary for full implementation. The new BSE import policy emphasizes both animal and public health protection by reflecting current scientific understanding and international standards for BSE.

Enhanced tracking and tracing — The CFIA continues to provide program oversight and compliance verification of the regulatory requirements of the national cattle identification program. The program infrastructure was expanded in 2005 to capture and report date of birth information against individual animal identifiers, a capacity that will be increasingly reflected in third country export certification requirements.

Research — The 2004 Federal Budget identified \$5 million per year starting in 2005-06 to build a network of centres of excellence (NCE) to address research issues in BSE and transmissible spongiform encephalopathies (TSEs) such as chronic wasting disease (CWD) in cervids such as elk and muledeer; and scrapie a fatal disease that affects the central nervous system of sheep and goats. PrioNet Canada has been established and is developing an infrastructure for dealing with BSE and other TSEs. The strategic research plan for PrioNet will be organized into five disease themes that are very much in line with principle objectives of the CFIA-TSE Research Strategy for 2005-12. Additionally, under the two themes of BSE and CWD/Scrapie, scientists from CFIA have been included as principle investigators/collaborators.

For more information on BSE, please visit the CFIA's Web site at www.inspection.gc.ca

HIGHLIGHTS OF THE CFIA'S AVIAN INFLUENZA REVIEW

Since the 2004 avian influenza outbreak in British Columbia, three reviews have been conducted. These include an internal review by CFIA, followed by a joint industry/government task force building on the recommendations of the internal review. The third review was conducted by the Parliamentary Sub-Committee on Agriculture and Agri-Food Canada. The CFIA is continuing to implement a number of the recommendations emerging from these reviews including:

- Conducting an H5/H7 prevalence survey in domestic and wild poultry, which could form the basis for ongoing surveillance, as required by the World Organisation for Animal Health (OIE). The protocol for the survey was developed and included data gathering from multiple sources and consensus building among affected industry and provincial stakeholders. The survey will be conducted in summer and fall of 2006, and samples may be obtained from poultry at federally registered processing facilities or on farms.
- Implementing a strategy that allows for submission of AI suspect samples to local laboratories. CFIA staff is trained to respond rapidly in the event of an avian influenza virus of concern being isolated from a poultry premises. This will address the need for regional laboratories for early detection and surge capacity if large or multiple animal disease outbreaks were to occur.
- Addressing the concerns of Canadians regarding the possibility of an avian influenza pandemic, in partnership with Health Canada and the Public Health Agency of Canada.
- Identifying roles and responsibilities in the event of a zoonotic disease outbreak.
- Working closely with provincial, territorial and municipal officials in the event of an avian influenza outbreak to allow for swift depopulation and disposal of potential sources of infection for other poultry or humans.
- Providing technical support to the poultry industry as they implement effective, verifiable biosecurity controls.
- Reviewing proposals that will ensure on-farm bio-security is enhanced through regulatory measures.
- Working with other federal departments, provincial and territorial governments toward strengthening linkages between laboratories participating in foreign animal disease testing and surveillance. The Canadian Animal Health Surveillance Network, initiated in October 2005, is the basis of these linkages.
- Providing leadership at the international level in the development and adoption of biosecurity standards to mitigate the economic consequences of disease detections.

For more information on avian influenza, please visit the CFIA's Web site at www.inspection.gc.ca



Table 2.1b Expected results and related indicators for controlling the transmission of animal diseases to humans

Expected Results	Indicators	Performance Targets ⁷
Animal diseases that are transmissible to humans are controlled within animal populations*	BSE sample collection	In full accordance with the guidelines recommended by the World Organisation for Animal Health (OIE)
	# of BSE disease incidents	No known cases of BSE that fall outside accepted parameters.
	Extent to which products of federally-registered plants comply with SRM removal-related laws and regulations.	97% compliance ⁸
	Extent to which cattle tagging is compliant with the regulations for animal identification.	≥ 97% compliance

*See Section 2.3b for additional indicators for control and eradication of known animal diseases

⁷ The targets are established performance measures for both industry's and the Agency's performance in relation to the expected result. Industry compliance rates of less than 100% are representative of the Agency's risk-based inspection approach which targets areas of high-risk and past non-compliance. The Agency strives to promote improved industry compliance on a year-to-year basis and has an enforcement and compliance strategy to address all instances of non-compliance. For more information on the targets, please see page 23.

⁸ The performance target for SRM removal is based on a two year average compliance rate for federally registered plants for three key tasks related to SRM removal. Of 12,406 rating of the tasks, 350 incidents of non-compliance were identified — 248 of which were considered to be minor infractions. The major infractions were corrected immediately on-site.

2.1c Regulatory Research — Food safety, nutrition and public health

(New addition for 2006-07)

Public awareness of food safety and nutrition continue to increase along with the advancement of science globally. This trend has led to increased public focus on the safety and nutritional value of food. The scientific capacity to respond to new and emerging food safety and nutritional concerns is an important component of the Agency's inspection programs. Timely and defensible laboratory test results which will withstand legal and international scrutiny are key elements in the enforcement of food safety and nutrition compliance.

Zoonotic diseases also have the potential to threaten public health. Some zoonotic diseases such as brucellosis, rabies, and bovine tuberculosis occur at a low level in Canada, especially in wildlife. Other zoonotic diseases such BSE and avian influenza have emerged in recent years to threaten Canada's agricultural economy, human and animal health and trade. Research to improve testing methodology contributes to reliable and accurate testing and facilitates disease control and early intervention should the disease appear in animals.

Basic research provides an increased understanding of the biology of these diseases, where they originate, and how they are transmitted. This information is critical to the development of effective response and control programs. More information on regulatory research related to zoonotic diseases can be found in Section 2.3d.

KEY ELEMENT OF REGULATORY RESEARCH — FOOD SAFETY, NUTRITION AND PUBLIC HEALTH

- Conduct regulatory research in support of food safety, nutrition and public health

Participating in collaborative research serves to enhance CFIA's research output. The CFIA participates in collaborative research thus benefiting from knowledge transfer and accessing expertise from other research institutions such as the Public Health Agency of Canada.

Current research initiatives:

- **✦ Expanding our capability to detect a broader range of chemical compounds and organisms in a wider range of foods:** Expand detection capabilities in the areas of allergens, nutrition, veterinary drug residues and pesticide residues, viruses and parasites in a wide variety of foods.
- **✦ Assess newer technology and/or methodology to improve the CFIA's service delivery and/or capacity:** Assess alternatives to culture-based methods for the detection of pathogens in food. Assess and further develop rapid detection technologies for testing of animals for zoonotic diseases.
- **✦ Assessment of newer platform technology for applicability in regulatory compliance:** Assess biosensor-based technology for the detection of veterinary drug residues in food.



- Development of a web-based reporting and communications network:** In collaboration with the Public Health Agency of Canada, development of a web-based reporting and communications network with provincial and veterinary diagnostic laboratories in Canada to support surveillance for animal diseases such as avian influenza and BSE. *(CRTI initiative. Information regarding other CRTI initiatives may be found in section 2.4c)*

- Evaluation of more efficient test methods for BSE:** The CFIA will evaluate new rapid diagnostic tests for BSE in order to ensure that testing efficiency is maximized.

Table 2.1c Expected result and related indicators for regulatory research — food safety, nutrition and public health

Expected Result	Indicators	Performance Targets
Decision making related to food safety, nutrition and public health is supported by sound, sufficient and current Agency regulatory research.	Indicators are currently under development.	TBD

2.2 Protecting consumers through a fair and effective regulatory regime

A fair and secure marketplace is one which is able to “maintain and enhance consumer confidence and give businesses the best environment possible for competitiveness.”⁹ The CFIA is committed to ensuring that its legislative and regulatory base related to its mandate not only protects consumers’ and producers’ rights and the natural environment, but also responds

to the pace of change in science, technology and the global market. The Agency promotes strong, coherent and science-based regulation, both domestically and internationally. Strong export certification programs for food, animals and plants maintains and enhances consumer confidence abroad, which contributes directly to economic growth in Canada. The Agency is also committed to actively protecting consumers and the marketplace from unfair practices, such as inaccurate food labelling and misrepresentation of products, and conducts research that will enhance the CFIA’s capacity to address these issues.

STRATEGIC OUTCOME

2.2 Protection of consumers through a fair and effective food, animal and plant regulatory regime that supports competitive domestic and international markets

PROGRAM ACTIVITY & DESCRIPTION

Science and Regulation

Providing a fair and effective regulatory regime for food, animals and plants that protects consumers and supports competitive domestic and international markets. Maintaining the integrity of CFIA’s regulatory policy, inspection and certification activities.

PROGRAM SUB-ACTIVITIES

- 2.2a Promoting science-based regulation
- 2.2b Maintaining an effective regulatory framework
- 2.2c Protecting consumers and the marketplace from unfair practices
- 2.2d Certifying exports
- 2.2e Regulatory Research- Exports and unfair practices

EXPECTED RESULTS

- The Agency contributes to the development and implementation of international rules, standards and agreements through international negotiations.
- The Agency applies sound and current science to the development of national standards, operational methods and procedures.
- Transparent, rules-based and science-based domestic regulatory framework is maintained.
- Deceptive and unfair market practices are deterred.
- Other governments’ import requirements are met.
- Decision making related to regulatory development and review, deterring unfair practices and export is supported by sound, sufficient and current Agency regulatory research.

RESOURCE ALLOCATION

	Planned Spending		
	2006–2007	2007–2008	2008–2009
Net Planned Spending (\$ millions)	119.6	115.8	115.9
Full Time Equivalents	1,350	1,317	1,317

⁹ Canada’s Performance 2005, p. 20



2.2a Promoting science-based regulation

Ongoing activities:

A strong, coherent and science-based health and safety regulatory framework will help ensure that Canadian consumers enjoy a wide variety of safe, high-quality products; that the environment is protected; and that market access is science-based.

As the largest science-based regulatory agency in Canada, the CFIA promotes the development and implementation of both domestic and international science-based regulation related to its mandate and statutory responsibilities. It provides scientific information to other federal partners with unique and complementary roles and responsibilities, such as Health Canada, which sets food safety standards. The Agency also works closely with other science-based departments and agencies to advance integration on initiatives that touch multiple government mandates, such as addressing issues related to zoonotic diseases and public security.

International rules and standards form the basis for regulating imports and exports of products that could pose a risk to food safety, animals and plants. The CFIA promotes the Canadian experience and objectives in the development of international agreements, arrangements and standards. At the same time, it ensures that international agreements, arrangements and standards are reflected in standards here in Canada.

The Agency leads Canada's participation in a number of international regulatory fora such as the International Plant Protection Convention and the World Organization for Animal Health (OIE); it co-leads, with Health Canada, the government's participation in the Codex Alimentarius

KEY ELEMENTS OF PROMOTING SCIENCE-BASED REGULATION

- Provide science-based policy advice for standard setting
- Update tools and technology to support science activities
- Build science base through recruitment and training
- Provide science-based input on international agreements and arrangements and advance science-based decisions, policies and standards in international fora

Commission; and it actively participates in a variety of other international fora dealing with regulatory issues. The CFIA also leads Canadian participation in the World Trade Organization Sanitary and Phytosanitary Agreement and coordinates its domestic implementation with provincial and regional bodies.

Special Initiatives:

- **Contribute to Government's science innovation and excellence initiative:** The Government of Canada has committed to enhancing science innovation and excellence across government. The CFIA is one of 23 science-based departments and agencies within the federal science and technology community that is contributing to the development of a common vision and implementation plan to address science and innovation within the federal government. The focus of federal science initiatives is on skills, learning, research, recruitment and training of scientists. (*Key partners — All federal science-based departments*)



Table 2.2a Expected results and related indicators for promoting science-based regulation

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Expected Results	Indicators	Performance Targets
The Agency contributes to the development and implementation of international rules, standards and agreements and arrangements through international negotiations.	Extent to which the international regulatory framework reflects Agency and stakeholders' priorities and needs.	TBD
The Agency applies sound and current science to the development of national standards, operational methods and procedures.	Extent to which the Agency's standards, operational methods and procedures reflect sound and current science.	TBD

2.2b Maintaining an effective regulatory framework

Ongoing activities:

The Government of Canada is committed to the continuous improvement of the federal regulatory system -making it more transparent, accountable and adaptable to new technologies and changing public priorities.

The CFIA legislation is reviewed on an ongoing basis to verify that it is current, relevant and consistent with the Government of Canada's *Federal Regulatory Policy*. This policy sets out rigorous and detailed processes to ensure regulation reflects the needs of Canadians.

The complex jurisdictional context within which the Agency operates involves federal, provincial, territorial and in some cases municipal authorities. Coordination and collaboration between various levels of government are needed for Canada's food inspection system to function harmoniously. Under the authority of the *Canadian Food Inspection Agency Act*, the Agency enters into bilateral and multilateral agreements with others. For example, agreements are in place with provincial governments for the purpose of providing services such as dairy and meat inspection, emergency preparedness and food recalls.

In addition, the CFIA works closely with other jurisdictions through its participation on federal, provincial, and territorial (F/P/T) committees. For example, the newly established F/P/T Regulatory

KEY ELEMENTS OF MAINTAINING AN EFFECTIVE REGULATORY FRAMEWORK

- Develop/update legislation and regulations
- Negotiate domestic arrangements and agreements
- Cultivate collaborative relationships with relevant stakeholders including provincial agencies, industry groups, consumer groups and universities
- Maintain, apply and enhance the CFIA policy on dispute resolution

Assistant Deputy Ministers Committee, co-chaired by the CFIA, is providing strategic advice to federal, provincial and territorial governments in order to facilitate the development and implementation of coordinated F/P/T regulatory and program initiatives.

The financial and time costs of addressing disputes between the CFIA and regulated parties, or those with whom the Agency has contractual obligations, continue to rise. The Treasury Board Secretariat and the Auditor General have encouraged the CFIA to incorporate a dispute resolution approach as an integral part of the Agency's current and future obligations. In the twelve-month period between October 2004 and September 2005, savings of \$1.7 million have been realized due to the CFIA's efforts with regard to dispute resolution. These efforts will continue.

Special Initiatives:

- **✦ Contribute to the Government’s Smart Regulation Strategy:** The Government of Canada has challenged regulatory departments and agencies to seek ways to use their regulatory frameworks to contribute to public health, sustainability, innovation and economic growth, while at the same time reducing the regulatory burden on businesses. This is known as the Smart Regulation Strategy. The CFIA is an active participant in the Smart Regulation initiative. In addition to working very closely with PCO on three regulatory review pilot projects, the CFIA is revising its own regulatory development process to respond to smart regulation direction. For example,

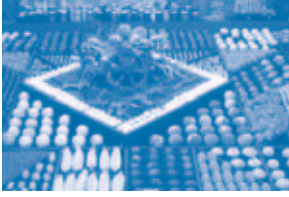
to modernize and strengthen its regulatory framework the CFIA will be implementing a new issue streaming process which will include a thorough assessment of instrument options and early and ongoing consultation with stakeholders and partners.

- **✦ Security and Prosperity Partnership of North America (SPP):** The CFIA will implement initiatives under the SPP, which are aimed at a more effective North American food and agriculture regulatory system. This will reinforce the security of North America while eliminating unnecessary impediments to trade, thereby promoting economic well-being. (See detailed plan on the page that follows.)

Table 2.2b Expected result and related indicators for maintaining an effective regulatory framework

Expected Result	Indicators	Performance Targets
Transparent, rules-based and science-based domestic regulatory framework is maintained.	Extent to which the CFIA’s mandate and activities are supported by legislation and regulations that reflect priorities and requirements of the Agency and its stakeholders.	TBD

✦ Indicates a key strategic risk mitigation strategy



CFIA AND THE SECURITY AND PROSPERITY PARTNERSHIP OF NORTH AMERICA

The Security and Prosperity Partnership of North America (SPP) is a formal mechanism that was announced by Canada, the U.S. and Mexico on March 23, 2005 to implement a comprehensive set of initiatives over five years to increase the security, prosperity and quality of life of the citizens of North America. The establishment of the SPP reiterates Canada's commitment to confront security and economic challenges through the delivery and implementation of trilaterally agreed workplans. In Canada, the SPP is being coordinated by the Privy Council Office. The CFIA and Health Canada (HC) co-lead Canada's participation in those SPP activities that impact on bio-protection, food and agricultural regulation.

The CFIA and HC have negotiated a work plan on food and agriculture regulatory system initiatives under the Prosperity agenda of the SPP with their counterparts in the United States and Mexico. In addition to more effective regulation, these initiatives will serve to reduce any unnecessary impediments to trade with North America.

A key priority for Canada and the CFIA under the prosperity agenda is the establishment of a North American food safety coordinating mechanism to assess food safety standards and remove differences where feasible. The prosperity work plan also includes a variety of CFIA led initiatives, including:

- Reviewing and developing North American import/border inspection policies, pest management approaches, and animal health management approaches to accelerate the identification, management and recovery from foodborne and animal and plant disease and pest hazards;
- Enhancing laboratory coordination through the establishment of plant health and food safety laboratory networks to further communicate and recognize methodology used by the three countries; and
- Furthering cooperation on biotechnology under the North American Biotechnology Initiative.

The bio-protection agenda under the SPP was negotiated as an enhancement of the close bio-security regulatory cooperation which exists between Canada and the US. The objective of the bio-protection SPP component is to develop and implement a North American bio-protection strategy to assess, mitigate and respond to intentional threats to public health and the food and agriculture system. Some of the key bio-protection initiatives led by the CFIA include: working with our US/Mexico counterparts to share threat and vulnerability assessment information and developing a coordinated approach to identify and manage threats to animals, plants and humans; developing integrated emergency plans and undertaking joint emergency response drills; expanding the animal vaccine bank to respond to more animal health diseases; and jointly responding to and cooperating on enforcement actions.

2.2c Protecting consumers and the marketplace from unfair practices

Ongoing activities:

The Government of Canada is committed to “addressing fraudulent, unfair and deceptive behaviour in the marketplace.”¹⁰ The CFIA incorporates activities designed to deter deceptive and unfair market practices in many of its programs. The compliance and enforcement of food labelling, verification of compliance with the *Seeds Act*, granting plant breeders’ rights, and administering licensing and arbitration for fresh fruit and vegetables have particularly strong linkages to this outcome.

The CFIA enforces the labelling provisions of the *Food and Drug Regulations* and the *Consumer Packaging and Labelling Regulations* for both domestic and imported food products at the manufacturing import and retail levels of trade. Compliance and enforcement actions are based on a risk management model which prioritizes activities in areas of high risk and low compliance. High risk products and establishments are subject to targeted inspections, analysis of food products and checks for the accuracy of labels. Targeted projects are carried out in sectors with high risk of non-compliance. In addition, the Agency works to improve compliance by developing programs, communicating with industry and taking appropriate enforcement action.

The *Seeds Act* provides the CFIA with the regulatory authority to monitor imported and domestic seed, certify seed exports, and register seed varieties and seed establishments. The high quality of Canadian pedigreed seed is dependent on the maintenance of systems to manage seed quality in Canada. The CFIA works with the Canadian Seed Institute and the Canadian Seed Growers Association (CSGA) to verify that Canadian seeds meet high standards. The Agency operates two

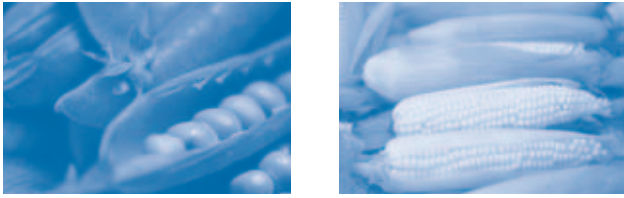
KEY ELEMENTS OF PROTECTING CONSUMERS AND THE MARKETPLACE FROM UNFAIR PRACTICES

- Set and enforce standards for food labelling (e.g. quality, quantity, and advertising)
- Verify compliance with *Seeds Act*
- Register seed varieties and seed establishments
- Enforcement activities
- Grant plant breeders’ rights
- Administer licensing and arbitration for fresh fruit and vegetables
- Target high-risk products and establishments
- Enhance public awareness of product misrepresentation issues

seed laboratories and participates in a program for accreditation of private seed labs; conducts marketplace surveillance, targeting high risk establishments; and inspects seed crops for the CSGA. In addition to carrying out audit and verification activities, the CFIA responds to incidents of non-compliance by issuing education/warning letters, detaining product or refusing entry of product into Canada.

The *Plant Breeders’ Rights Act (1990)* and its regulations provide legal protection to plant breeders for their rights to new plant varieties for up to eighteen years. The intent of the legislation is to stimulate plant breeding in Canada, to provide Canadian producers better access to foreign varieties, and to facilitate the protection of Canadian varieties in other countries. The CFIA’s Plant Breeders’ Rights Office (PBRO) administers the legislation with the support of an Advisory committee.

¹⁰ Canada’s Performance 2005, p. 21.



The CFIA functions to secure the rights of plant breeders by granting protection for their new varieties. The CFIA examines applications to determine whether applicants are entitled to receive a grant of rights. It also publishes and distributes plant breeders' rights information via the *Plant Varieties Journal* and assists the public in obtaining documentation pertaining to a right that has been published.

Promoting fair trading practices for dealers of fresh fruit and vegetables is integral to providing the best environment possible for competitiveness. The CFIA licences dealers of fresh fruits and vegetables who market their produce inter-provincially and internationally, and responds to requests from industry to inspect at destination loads of imported fresh fruit and vegetables which in the majority of requests have been received in damaged or deteriorated condition. The results of these inspections are used to resolve disputes without having to seek recourse through arbitration.

Special Initiatives:

- **✦ Redesign of destination inspection:** Fresh fruit and vegetables are highly perishable in nature. The CFIA inspects fresh produce to provide authoritative information for resolving quality disputes between buyers and sellers and facilitate trade within the continent. The fresh produce industry is expanding rapidly, and has requested redesign of the current program to better address their needs. This re-designed program focuses inspection priority on newly arrived shipments, builds on current inspection expertise, streamlines the current management structure, and strengthens training and inspection oversight. Regulatory amendments to accommodate this new program are planned for 2006-07, together with a phased-in implementation process.

- **✦ Redesign of labelling compliance approach:** The food industry is under pressure to remain competitive and is accelerating the development of innovative products that provide an expanded choice for their customers. Consumers are more demanding and consumption patterns are changing. The challenge is to verify that labelling and advertising for such products, including claims, are truthful and not misleading. A flexible, but effective, labelling compliance approach is required to allow for the potential benefits and choice of food products to consumers and industry, while communicating key information to the public in a manner that is clear, truthful, not misleading and effective. The CFIA will implement a new sector by sector compliance approach, focussing on specific higher risk product categories/commodity sectors, for both domestic and imported products. This approach will verify regulatory compliance, focussing on product misrepresentation and claims, including highlighted ingredient and flavour claims. In 2006, the CFIA is focussing on several specific food and beverage sectors.



Table 2.2c Expected result and related indicators for protecting consumers and the marketplace from unfair practices

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Expected Result	Indicators	Performance Targets ¹¹
Deceptive and unfair market practices are deterred.	Extent to which seed establishments and private labs inspected comply with federal requirements.	≥ 95% compliance
	Extent to which non-pedigreed seed tests comply with CFIA quality standards.	≥ 85% compliance
	Extent to which pedigreed seed tests comply with CFIA quality standards.	≥ 95% compliance
	Extent to which seed tests comply with CFIA varietal purity.	≥ 99% compliance

¹¹ The targets are established performance measures for both industry's and the Agency's performance in relation to the expected result. Industry compliance rates of less than 100% are representative of the Agency's risk-based inspection approach which targets areas of high-risk and past non-compliance. The Agency strives to promote improved industry compliance on a year-to-year basis and has an enforcement and compliance strategy to address all instances of non-compliance. For more information on the targets, please see page 23.



2.2d Certifying exports

Ongoing Activities:

The agriculture and agri-food sector is highly export oriented, contributing \$5 to \$7 billion to Canada’s trade balance annually and accounting for 10% of the total Canadian trade surplus in 2000.¹² The approximate value of exported food, plant and animal products regulated by the CFIA has increased from \$38.4 billion in 1997 to \$40.2 billion in 2004. These products go to over 140 countries.

The certification process plays an important role in Canada’s international trade and helps to protect the excellent international reputation of Canada’s exports of food, plants, animals and associated products. It will continue to remain a demanding and important part of the Agency’s mandate.

The Agency, in partnership with industry and interested stakeholders, will continue to develop and maintain export certification programs, conduct inspections, issue export certificates and accredit third parties to carry out testing.

Special Initiative:

- **Develop and implement Electronic Export Certificate (E-Cert) Systems:** Canadians and our

KEY ELEMENTS OF CERTIFYING EXPORTS

- Conduct export certification activities for food
- Conduct export certification activities for animals and animal products
- Conduct export certification activities for plants and plant products

international trading partners are demanding increased security, and more timely, efficient documentation systems to deal with increasing trade volumes. The CFIA is pursuing progression from a paper-based system to electronic certification to certify that Canadian products comply with the importing country’s regulatory requirements, verify the regulatory status of shipments, and provide equivalent information to originating countries regarding Canadian imports. Over the next three years, the CFIA will participate in multilateral working groups to develop requirements for government-to-government exchange of certification information, augment existing systems and launch several pilot projects. Meat export pilots are slated for implementation at the end of 2006, with similar projects for semen and embryo exports also scheduled for 2006.

Table 2.2d Expected result and related indicators for certifying exports

Expected Result	Indicators	Performance Targets ¹³
Other governments’ import requirements are met.	Extent to which certified food shipments meet the receiving country’s import requirements.	≥ 99% meet requirements

✦ Indicates a key strategic risk mitigation strategy

¹² AAFC, Sustainable Development Strategy 2003, *Sustainable Agriculture: Our Path Forward*, p. 11.

¹³ The targets are established performance measures for both industry’s and the Agency’s performance in relation to the expected result. Industry compliance rates of less than 100% are representative of the Agency’s risk-based inspection approach which targets areas of high-risk and past non-compliance. The Agency strives to promote improved industry compliance on a year-to-year basis and has an enforcement and compliance strategy to address all instances of non-compliance. For more information on the targets, please see page 23.



2.2e Regulatory Research — Exports and unfair practices

(New addition for 2006-07)

The CFIA's research supports the delivery of a fair and effective regulatory regime for food, animals and plants through the acquisition of new knowledge and improved methodologies. The CFIA's research also supports the protection of the consumer and marketplace from unfair practices by verifying that the methodology used to support regulatory compliance activities is fully validated, uses the best science available, is in line with what is occurring internationally and meets the requirements set out in Canadian regulations.

Current research initiatives:

- **Complete the assessment of an automated DNA-based system for species identification:** Meat and fish species identification is a labelling requirement. This

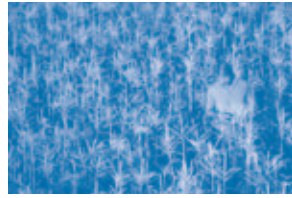
KEY ELEMENTS OF REGULATORY RESEARCH — EXPORTS AND UNFAIR PRACTICES

- Conduct regulatory research in support of regulatory development and review, deterring unfair practices and supporting export certification.

includes, for example, identifying beef, pork, poultry and types of fish identified on labels as ingredients in food. The CFIA requires methodology which can confirm or deny the stated label claim. The CFIA is currently evaluating an automated DNA based system to detect these various species. If it is acceptable, this system will be used to confirm results generated by the current methods, which are not always reliable.

Table 2.2e Expected result and related indicators for regulatory research-exports and unfair practices

Expected Result	Indicators	Performance Targets
Decision making related to regulatory development and review, deterring unfair practices and export is supported by sound, sufficient and current Agency regulatory research.	Indicators are currently under development.	TBD



2.3 Sustaining the plant and animal resource base

Increasingly, governments recognize that our economic and social well-being are contingent on the health and sustainability of our natural resources — including water, forestry, fisheries and agriculture. The Government of Canada’s commitment to sustainable economic growth recognizes that “Healthy ecosystems are essential to the strength of the economy in direct ways. For example, Canada’s forests contribute \$59 billion and its oceans \$22.0 billion to the Canadian

economy annually, while natural resource based industries provide jobs to more than a million Canadians. In 2004 agricultural production alone employed approximately 324,100 people in Canada.”¹⁴

The CFIA’s contribution to this government priority is focussed on the promotion of a sustainable plant and animal resource base. This involves protecting Canada’s crops, forests, livestock and aquatic animals from regulated pests and diseases, and assessing the environmental sustainability of new enabling technologies, such as biotechnology.

STRATEGIC OUTCOME

2.3 A sustainable plant and animal resource base

PROGRAM ACTIVITY & DESCRIPTION

Animal and Plant Resource Protection

Activities related to protecting Canada’s livestock, crops and forests from regulated pests and diseases including invasive species; and regulation of agricultural products, including products of biotechnology.

PROGRAM SUB-ACTIVITIES

- 2.3a Protecting Canada’s crops and forests
- 2.3b Protecting Canada’s livestock and aquatic animals
- 2.3c Assessing agricultural products
- 2.3d Regulatory Research — Animal and plant resource protection

EXPECTED RESULTS

- Entry and domestic spread of regulated plant diseases and pests are controlled.
- Industry complies with federal acts and regulations regarding Canada’s crops, forests and livestock.
- Entry and domestic spread of regulated animal diseases are controlled.
- Agricultural products meet the requirements of federal acts and regulations.
- Decision making, including regulation, in regards to animal and plant health are supported by sound, sufficient and current Agency regulatory research.

RESOURCE ALLOCATION

	Planned Spending		
	2006–2007	2007–2008	2008–2009
Net Planned Spending (\$ millions)	106.7	106.3	105.2
Full Time Equivalents	1,146	1,147	1,138

¹⁴ Canada’s Performance 2005, p. 10.

2.3a Protecting Canada's crops and forests

Ongoing activities:

The CFIA's role in protecting the plant resource base involves preventing the entry, establishment and domestic spread of plant diseases and pests as well as the regulation of fertilizers and plant supplements.

The entry and establishment of plant diseases and pests that originate in other countries can be devastating. For example, a forest pest called Emerald Ash Borer was introduced in Ontario earlier this decade. This pest is decimating the ash tree population in southwestern Ontario and is continuing to spread.

Sudden Oak Death, which is caused by a fungus-like pathogen that has killed tens of thousands of oak trees in California, inadvertently gained entry into Canada in imported nursery plants. Since the detection of Sudden Oak Death in B.C. in 2003, the CFIA has undertaken aggressive eradication activities in British Columbian nurseries and on urban properties to stop the disease from becoming established in Canada.

In order to prevent the entry and establishment of plant diseases and pests, the CFIA conducts risk assessments, and develops and implements regulations, policies and programs to identify and manage pest risks associated with imported plants, plant products, wood packaging and soil. These regulations and policies are implemented through a comprehensive risk-based inspection program for imports that is delivered in partnership with the Canada Border Services Agency. It also includes activities such as conducting pre-clearance inspections of products and reviewing certification programs of foreign countries, issuing import permits and monitoring or surveying for the entry of plant diseases and pests.

KEY ELEMENTS OF PROTECTING CANADA'S CROPS AND FORESTS

- Inspection and monitoring activities for plants, plant products, high-risk plant imports, and fertilizers
- Enforcement and compliance activities
- Movement control and eradication activities
- Surveys
- Risk assessments
- Plant protection compensation
- Emergency response
- Education, awareness and outreach
- Program design/re-design

Controlling the spread of plant pests and diseases that are established in Canada is another key aspect of the CFIA's role in protecting Canada's crops and forests. For example, potato wart is a serious disease caused by a soil-borne fungus. The fungus can remain dormant in the soil for several years or more as resting spores. It is found in Newfoundland where it has been regulated since 1912, and in 2000 was detected in several fields in PEI. These areas are under strict quarantine measures designed to prevent the movement of this disease to other parts of Canada. The Agency monitors established pests to determine their spread and provide supporting data to fulfill requirements for determining regulated areas. This is accomplished by conducting surveys; inspecting and auditing establishments; and sampling and testing Canadian plants, plant products and soil.



Risk assessments, modelling and management of plant pests and diseases is a key component of the CFIA's ongoing pest and disease management efforts. The detection of regulated plant pests and diseases results in the implementation of response plans that include activities such as movement control measures and/or establishing quarantine zones to limit spread of plant pests as well as supervising treatment activities or conducting eradication efforts. Compliance and enforcement activities, when necessary, include actions such as seizing and detaining product, issuing warning letters, initiating legal action, and suspending establishments.

Canada's crops and forests are also protected by the CFIA's ongoing efforts related to the regulation of plant supplements and fertilizers. The CFIA conducts product inspections at blending and manufacturing plants, retail outlets and warehouses. The Agency also routinely assesses and samples fertilizers and supplements to verify that they meet Canada's standards for safety. The samples are tested for contaminants such as heavy metals, pesticides and pathogens such as salmonella. When necessary, the CFIA undertakes compliance and enforcement activities, including product detention and legal action.

The Agency also designs and delivers education, awareness and outreach activities and products aimed at educating all Canadians about the role we all play in protecting Canada's crops and forests.

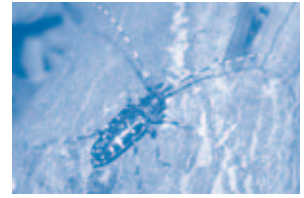
Special Initiatives:

- **✿ Invasive Alien Species:** The CFIA is committed to addressing Canadians' concerns regarding the impact of invasive alien plants and plant pests, such as the Emerald Ash Borer and Asian Long Horn Beetle that have been introduced into Canada from their natural

habitats on other continents and significantly harm our environment. Addressing invasive alien species is a global problem that requires international cooperation, consequently a tri-national strategy was implemented in 2005–06 between Canada, the U.S. and Mexico to address risks to our forests from plant pests associated with the international movement of wood products. In addition, a major international workshop on risk analysis was held in Canada to encourage consistent, international, science-based approaches to risk assessment, risk management and risk communications. A new policy on the regulation of invasive alien plants (weeds) is being drafted in collaboration with the invasive alien species terrestrial plant working group, and consultation is planned in 2006–07. CFIA capacity building will be initiated in 2006–07 to enhance measures targeted at preventing the entry of forest pests via wood products. Increased survey, risk assessment and detection capabilities will also be phased in.

- **✿ Plant pest containment guidelines:** Strict and clear physical and operational practices for handling invasive alien plant pests in laboratories is necessary to better prevent their escape into the environment. The CFIA is working with an interdisciplinary group to develop containment standards for facilities handling plant pests. These standards, which will be finalized in 2007, will serve as the basis for CFIA approval of medium to high risk containment facilities and laboratories handling plant pests. These standards will also be used to assess applicants containment facilities when they are applying for import permits for plant pests. After a transition period the standards will become effective on January 1, 2009.

✿ Indicates a key strategic risk mitigation strategy



CFIA'S COMMITMENT TO PROTECTING PLANTS FROM INVASIVE ALIEN SPECIES

The introduction to Canada of invasive alien species (IAS) in Canada threatens the environment, the economy and society. Impact is often severe and irreversible. IAS are considered the second most significant threat to biodiversity after habitat loss. Asian longhorn beetle is an example of an IAS that has recently entered Canada but is not yet widely distributed. The CFIA and its partners have set eradication plans in motion, including monitoring and controlling the spread of this pest, to prevent widespread irreversible harm to Canadian forests. The CFIA is working with federal, provincial and territorial government agencies and other partners to alleviate this threat by implementing priority actions identified in *An Invasive Alien Species Strategy for Canada*. This strategy focuses on protection of Canadian plant resources from IAS through enhanced prevention, early detection and response planning.

The 2005 Federal Budget provided an investment of \$85 million over five years for the Invasive Alien Species Strategy. The CFIA will receive \$50 million over five years to support its role in this initiative. Strategic investments will be made in the following areas:

- Implementation of a science-based program patterned after the Agency's plant health program and standards established by the International Plant Protection Convention;
- Continued participation in the federal, provincial/territorial Terrestrial Plants and Plant Pests Working Group on IAS in partnership with Environment Canada, Natural Resources Canada - Canadian Forest Service, Fisheries and Oceans Canada, and provincial/territorial governments;
- Increasing capacity to conduct pest risk assessments and pathways analyses;
- Increasing capacity to develop policies to prevent entry, and conduct inspections and surveys;
- Enhancing laboratory capacity and capability to better enable identification and contribute to the scientific basis for CFIA policies;
- Strengthening Canada's role in IAS-related international standard setting and development, and supporting Canada's international approaches to implementing standards and strengthening mitigation measures aimed at preventing entry of IAS;

The CFIA will also facilitate collaboration, mutual support and information-sharing amongst scientific and regulatory organizations responsible for IAS by supporting the establishment of a national Plant Protection Network of Expertise. Additionally the CFIA will undertake the development of an information management system which will enable integration of IAS-related information within the CFIA and with other government departments to better enable data collection, decision-making, communication, and program evaluation.

For more information on the Invasive Alien Species program, please visit the CFIA's Web site at www.inspection.gc.ca.

Table 2.3a Expected results and related indicators for protecting Canada’s crops and forests

Expected Results	Indicators	Performance Targets¹⁵
Entry and domestic spread of regulated plant diseases and pests are controlled.	Extent to which Agency data indicates the entry of new regulated diseases and pests into Canada (Listed diseases/pests in the Regulated Pest List for Canada)	No entry of new regulated diseases and pests through regulated pathways.
	Change in the presence of plant diseases or pests beyond the regulated areas.	No increase attributable to human activity.
	Extent to which pest surveys are conducted as per workplan.	100%
Industry complies with federal acts and regulations concerning Canada’s crops and forests.	Extent to which fertilizers and supplement sample tests, comply with efficacy and safety standards (non-biotechnology product)	≥ 95% Compliance
	Extent to which fertilizers and supplement sample tests (heavy metal, pathogen, and pesticide contamination) comply with efficacy standards	≥ 95% Compliance

¹⁵ The targets are established performance measures for both industry’s and the Agency’s performance in relation to the expected result. Industry compliance rates of less than 100% are representative of the Agency’s risk-based inspection approach which targets areas of high-risk and past non-compliance. The Agency strives to promote improved industry compliance on a year-to-year basis and has an enforcement and compliance strategy to address all instances of non-compliance. For more information on the targets, please see page 23.

2.3b Protecting Canada's livestock and aquatic animals

Ongoing activities:

Canada's ability to market animals, animal products and by-products as well as livestock feed is dependent upon its freedom from the serious epizootic diseases.

The CFIA conducts disease surveillance as part of the **Canadian Animal Health Network**, a nationwide network of veterinarians, and provincial and university diagnostic laboratories. Disease intelligence is exchanged on a regular basis as the CFIA works with other nations and international organizations to establish collaborative approaches to common challenges.

Under the authority of the *Health of Animals Act* and its regulations, animal owners, veterinarians and laboratories are required to immediately report to the CFIA the presence of an animal that is affected by or suspected of being infected with a reportable disease. These diseases are outlined in the *Health of Animals Act* and *Regulations* and are generally of significant importance to human or animal health or to the Canadian economy.

The Agency regularly monitors, tests, inspects and orders quarantines so that regulated animal diseases can be prevented, controlled or eradicated. To encourage the early reporting of suspected diseases, the CFIA administers a compensation program for animals ordered destroyed or treated, and for the costs of disposal.

KEY ELEMENTS OF PROTECTING CANADA'S LIVESTOCK AND AQUATIC ANIMALS

- Inspection activities for animals, animal products, and feed
- Enforcement activities
- Movement control and eradication activities
- Conduct surveys
- Deliver animal health compensation
- Emergency response
- Education, awareness and outreach
- Program design/redesign

Scientific risk evaluations and science-based international standards guide the Agency's import policies. The CFIA administers and enforces regulations governing the entry of all imported animals and animal products into Canada. Inspections target high risk animals that show visible signs of disease. Higher risk shipments may be subject to quarantine, import permits, and testing before entering Canada.

The Agency administers a national livestock feed program to verify that livestock feeds manufactured and sold in Canada or imported into Canada are safe, effective and labelled appropriately. The principle thrust of the national feed program is safety. The CFIA inspects feed mills and rendering facilities, monitors feeds for level of medication or contaminants, conducts investigations in response to complaints or on detection of contamination, reviews labels and evaluates and approves ingredients.



Special Initiatives:

- **✦ Lead the development of the Integrated National Animal Health Strategic Policy Framework:** The CFIA is leading the development of an Integrated National Animal Health Strategic Policy Framework. This framework will focus on inclusive approaches to governance, accountability and investment on the part of federal, provincial and private sector stakeholders. It will also reflect advances in production systems and disease control approaches and address environmental sustainability issues such as animal disposal and disease impacts on the ecosystem.

An Integrated National Animal Health Strategic Policy Framework will help to ensure comprehensive public and animal health protection and contribute to a competitive economy characterized by domestic and international confidence and minimal market access restrictions. *(Key partners — AAFC, Provinces and Territories, Industry).*

- **✦ Enhance animal disease tracing and animal tracking for all livestock species:** The CFIA is actively participating with other federal, provincial and territorial partners to establish a National Traceability Policy. Elements of traceability are also expected to be included under the National Animal Health Strategic Policy. In support of this initiative, and in partnership with the Canadian Cattle Identification Agency (CCIA), the CFIA will continue to develop and implement a national movement strategy for cattle identification, an age verification database for cattle, and a quality assurance program to ensure accuracy of age verification data. *(Key partners — CCIA, Provinces, Territories).*
- **✦ Develop a national disposal strategy for all livestock species:** As part of its avian influenza (AI) response, the CFIA has developed an AI disposal Standard Operating Procedure (SOP). This SOP

outlines procedures for the composting of avian carcasses ordered destroyed in the event of an outbreak of disease or toxic substance, or in the event of a natural disaster. The CFIA will continue its work in conjunction with the provinces and territories, through the F/P/T Mass Disposal Team, to develop common priorities and strategies to address mass disposal issues for all livestock species. *(Key partners — Provinces, Territories)*

- **Conduct review of compensation policies under the *Health of Animals Act*:** The Animal Health compensation program encourages early reporting of diseases and owner cooperation during control/eradication efforts to prevent or reduce the spread of disease. It also assists owners in rebuilding their herds or flocks. In consultation with AAFC and industry, the *Compensation for Destroyed Animal Regulations*, which sets out animal categories and the maximum amounts of compensation that may be paid for each, will be reviewed and updated to reflect the current market.
- **✦ Establish the National Aquatic Animal Health Program:** The protection of Canada's aquatic resources (wild and cultured) from reportable diseases is critical both from a resource base and economic point of view. In order to maintain access to important export markets and to ensure the continued growth of the industry, Canada must maintain international standards for aquatic animal disease control as they evolve. To meet these standards, the Department of Fisheries and Oceans and the CFIA are working jointly to establish a National Aquatic Animal Health Program. *(See detailed plan on the page that follows)* *(Key partner — DFO)*
- **✦ Contribute to the implementation of a National Wildlife Disease Strategy:** *(Key partners — EC, including CWS)* *(Details presented in Section 2.1b.)*

NATIONAL AQUATIC ANIMAL HEALTH PROGRAM

In its spring 2005 budget, the Government of Canada announced an investment of \$59 million for the first five years of a new, permanent National Aquatic Animal Health Program (NAAHP) to protect Canada's aquatic animals from exotic diseases and provide competitive access to export markets.

Canada's annual seafood exports, derived from aquaculture, the wild fishery and transformed and re-exported seafood imports, go to over 120 countries and are valued at approximately \$5 billion. Eighty-eight percent of farmed fish grown in Canada are exported, accounting for approximately 15% of Canadian seafood exports. Approximately 130,000 Canadians earn their livelihood from commercial seafood harvesting, and aquaculture production and processing.

Canadian seafood products compete in an international market governed by internationally recognized trade agreements and scientific standards. The National Aquatic Animal Health Program will help Canada to better protect its farmed and wild aquatic resources from the introduction and spread of reportable diseases and will allow Canada to demonstrate its aquatic animal health status. By doing so, the NAAHP will help to sustain public confidence in the safety of live and processed seafood and maintain and expand Canada's access to international seafood markets.

The NAAHP is modelled after the CFIA's well-established terrestrial animal health program. The NAAHP covers all regulatory activities, from surveillance and disease control to diagnostic testing, research and animal welfare. The Government of Canada, provincial and territorial governments, the aboriginal community and industry all play an important role in Canada's aquatic animal health.

The CFIA is proceeding with the implementation of the new program in 2006-07. Several initiatives are planned, including:

- Development of a surveillance plan and a disease list for farmed and wild aquatic species;
- Review and assessment of DFO and partner diagnostic levels for compliance and quality assurance/quality control standards; and
- Development of contingency plans for major diseases.

For more information on the National Aquatic Animal Health Program, please visit the CFIA's Web site at www.inspection.gc.ca.



Table 2.3b Expected results and related indicators for protecting Canada’s livestock and aquatic animals

Expected Results	Indicators	Performance Targets ¹⁶
Entry and domestic spread of regulated animal diseases are controlled.	Extent to which Agency data indicates the entry of new regulated animal diseases into Canada (Listed diseases in OIE)	No entry of new regulated diseases through regulated pathways.
	Change of animals (domestic) with regulated animal disease found in Canadian herds/flocks	No increase.
Industry complies with federal acts and regulations for livestock.	Extent to which feed mills inspected comply with the <i>Feeds Act</i> including the feed ban (under the Health of Animals Regulations)	≥92%
	Extent to which renderers inspected comply with the <i>Feeds Act</i> including the feed ban (under the Health of Animals Regulations)	≥90% compliance
	Extent to which feed mills inspected are without any major deviations, with the <i>Feeds Act</i> including the feed ban (under the Health of Animals Regulations)	95% Compliance
	Extent to which renderers inspected are without any major deviations, with the <i>Feeds Act</i> including the feed ban (under the Health of Animals Regulations)	93% Compliance

¹⁶ The targets are established performance measures for both industry’s and the Agency’s performance in relation to the expected result. Industry compliance rates of less than 100% are representative of the Agency’s risk-based inspection approach which targets areas of high-risk and past non-compliance. The Agency strives to promote improved industry compliance on a year-to-year basis and has an enforcement and compliance strategy to address all instances of non-compliance. For more information on the targets, please see page 23.



2.3c Assessing agricultural products

Ongoing activities:

Livestock feeds, fertilizers and veterinary biologics that are effective and safe, contribute to efficient production and the maintenance of healthy livestock and crops. The CFIA assesses feed, fertilizers and supplements for their safety and efficacy before they can be registered for sale in Canada.

Classes of agricultural products that are derived from biotechnology, such as plants with novel traits (PNTs) and novel feeds and supplements, are also regulated. The CFIA assesses novel products for environmental, animal and human safety prior to authorizing their release into the Canadian environment.

The CFIA's licensing program for veterinary biologics is central to Canada's national animal health program. The program's objective is to protect the health of Canadians, their domestic pets, and animals used for food. Licences are issued based on the CFIA's evaluation of the purity, potency, safety and effectiveness of veterinary biologics. In addition, the CFIA issues import permits and export certificates for these products; investigates consumer complaints regarding suspected adverse reactions to them; inspects and monitors manufacturers and importers; and, monitors quality assurance.

Whether a product has been produced by conventional methods or by biotechnology, the general information requirements are the same. The Agency will continue to work to ensure that regulatory requirements for information are consistent with those of recognized international scientific groups and other national governments. This will help to maintain the quality and safety of agricultural inputs that are traded internationally.

KEY ELEMENTS OF ASSESSING AGRICULTURAL PRODUCTS

- Assess the efficacy and/or safety (environmental, plant, animal, and/or human) of agricultural products such as feeds and fertilizers
- Regulate plants with novel traits, novel supplements, novel livestock feeds and veterinary biologics

Special Initiatives:

- **Implement regulatory policies to address key challenges concerning plants and animals derived from biotechnology:** With the increasing cultivation of biotechnology-derived agricultural crops, Canada faces ongoing challenges regarding imports and exports of trace levels of unintentionally present, biotechnology-derived material (adventitious presence — AP) in seeds, grains/oilseeds, livestock feed and food, including material that is not approved. AP can result in returned seed, destroyed fields, recalled food products, and shiploads of grain refused entry by some countries. Consultations with stakeholders towards developing policy to deal with AP, and meetings with our U.S. counterparts, will continue in 2006–07.

Plant molecular farming (PMF) is the growing of plants to produce pharmaceutical or industrial compounds, instead of its traditional uses of food, feed or fibre. The CFIA recognizes that additional rules, terms and conditions are needed to address human, livestock health and/or environmental concerns associated with these products. The CFIA plans to work closely with AAFC in 2006-07 to develop a policy statement regarding the development of PMF, which the CFIA will use as the umbrella for guideline development towards commercialization of plants for PMF.

Transgenic animals, currently at the research stage, could contribute to the production of pharmaceuticals or more environmentally-friendly livestock. The CFIA will review the current legislative regime and expertise residing at the Agency in order to make adjustments and accommodate the capability to address safety concerns.

These challenges raise economic, marketing and social questions, some of which lie outside the mandate of the CFIA. Over the next one to three years, the Agency will continue to consult with other government departments and stakeholders towards developing regulatory policies to address AP/unapproved events, PMF and transgenic animals. *(Key partners — EC, AAFC, HC)*

Table 2.3c Expected result and related indicators for assessing agricultural products

Expected Result	Indicators	Performance Targets ¹⁷
Agricultural products meet the requirements of federal acts and regulations.	Extent to which confined field trials of PNTs comply with CFIA requirements.	≥90% compliance
	Extent to which fertilizer and supplement sample tests comply with efficacy standards (novel supplements).	≥95% compliance

¹⁷ The targets are established performance measures for both industry's and the Agency's performance in relation to the expected result. Industry compliance rates of less than 100% are representative of the Agency's risk-based inspection approach which targets areas of high-risk and past non-compliance. The Agency strives to promote improved industry compliance on a year-to-year basis and has an enforcement and compliance strategy to address all instances of non-compliance. For more information on the targets, please see page 23.



2.3d Regulatory Research — Animal and plant resource protection

(New addition for 2006-07)

60

The CFIA's research supports protection of the animal and plant resource base through the acquisition of new knowledge and improved technologies and methodologies for the prevention, detection, surveillance and management of animal diseases of significance to the health of humans, livestock and wildlife, as well as regulated quarantine and non-quarantine plant pests. In addition, the CFIA's research supports the harmonization of laboratory methods with trading partners.

Significant plant pests which continue to threaten the Canadian plant resource base include the wood-boring insect pests Asian Longhorned Beetle, Brown Spruce Longhorn Beetle and Emerald Ash Borer. The fungal pest which causes Sudden Oak Death has a host range so broad that it threatens both forestry resources and horticultural crops. The woodwasp, *Sirex noctilio*, was also recently identified for the first time in Canada. Research is needed to develop better methods to treat commodities that harbour pests of concern as well as to control the pests themselves, in addition to improved pest detection technologies.

Two transmissible spongiform encephalopathies (TSEs) BSE and scrapie, are present in Canadian livestock, and another, chronic wasting disease (CWD), is present in wildlife or game-farmed animals. The CFIA conducts research to increase knowledge of these diseases in order to improve their control and to protect animal and human health and trade. Research is focused on better ways to detect TSEs in animals before signs of disease are apparent.

KEY ELEMENT OF REGULATORY RESEARCH — ANIMAL AND PLANT RESOURCE PROTECTION

- Conduct regulatory research in support of animal and plant resource protection

Exotic animal diseases such as foot-and-mouth disease and classical swine fever could devastate animal health and trade, if they were introduced into Canada. Research on these diseases is aimed at improving tests that allow for early detection and rapid response in the event of an outbreak.

Current research initiatives:

- **✦ Research to develop new, rapid or improved methods to enable new or improved pest detection, to treat commodities which harbour pests and control the pests themselves:** Priority is given to gaps in detecting and managing the highest risk pests.
- **✦ Research on TSEs:** The CFIA will conduct research to achieve a better understanding of the mechanism by which chronic wasting disease (CWD) causes disease in animals; determine disease markers and undertake genetic studies of scrapie in sheep to facilitate the development of better tests; and to undertake strain typing of CWD and scrapie.
- **✦ Research on high threat animal diseases:** The CFIA will conduct research to improve testing methods for high threat animal diseases such as foot-and-mouth disease and classical swine fever.

✦ Indicates a key strategic risk mitigation strategy



Table 2.3d Expected result and related indicators for regulatory research-animal and plant resource protection

Expected Result	Indicators	Performance Targets
Decision making (including regulation) in regards to animal and plant health are supported by sound, sufficient and current Agency regulatory research.	Indicators are currently under development.	TBD

2.4 Promoting the security of Canada's food supply and agricultural resource base

The Government of Canada is committed to protecting Canadians from deliberate threats to their safety. In April 2004, the Government issued the *National Security Policy*, which included the creation of the Public Health Agency of Canada, the launch of the Security and Prosperity Partnership of North America, and the creation of a Government Operations Centre to provide around-the-clock coordination and support across

government in the event of a national emergency. Each of these initiatives has had a direct impact on the programs and operation of the CFIA.

Under the *Emergency Preparedness Act*, the CFIA is mandated to prepare for, and respond to, emergencies involving food safety, animal health, plant health and any other situation related to the Agency's programs. The CFIA's emergency preparedness program focuses on activities that help the Agency and its partners reach a state of readiness to ensure an effective and rapid response to a food safety, animal disease or plant pest emergency.

STRATEGIC OUTCOME

2.4 Security from deliberate threats to Canada's food supply and agricultural resource base

PROGRAM ACTIVITY & DESCRIPTION

Public Security (PSAT-related activities)¹⁸

Activities related to contributing to public security and agri-food security

PROGRAM SUB-ACTIVITIES

- 2.4a Preparing for emergencies
- 2.4b Enhancing capacity to respond to emergencies
- 2.4c Regulatory research- Public security (including CRTI initiatives)

EXPECTED RESULTS

- The Agency is in a state of readiness for an effective rapid response to emergencies.
- The Agency has the capacity to respond to emergencies.
- Decision making related to public security is supported by sound, sufficient and current Agency regulatory research.

RESOURCE ALLOCATION

	Planned Spending		
	2006–2007	2007–2008	2008–2009
Net Planned Spending (\$ millions)	57.8	98.4 ¹⁹	58.4
Full Time Equivalents	197	197	197

¹⁸ The 2001 Federal Budget allocated funds to be spent over the next five years on public security and anti-terrorism (PSAT) activities to enhance security for Canadians.

¹⁹ The increase in planned spending is attributable to approved funding for Avian and Pandemic Influenza Preparedness.

2.4a Preparing for emergencies

Ongoing activities:

Emergency response is a challenging, shared responsibility that can involve numerous federal departments, provinces and territories, the US and other countries. Key elements of effective emergency response include appropriate policies, plans and procedures for dealing with emergencies, along with emergency exercises and training.

The Agency's emergency preparedness program focuses on activities that enable the CFIA and its partners to remain ready to respond quickly and effectively to an emergency involving food safety, an animal disease or a plant pest. The CFIA's integrated response for food safety and agricultural emergencies is based on establishing effective emergency inter-organizational links with partners and developing a framework for defining partners emergency interaction and decision making. On an ongoing basis, the CFIA conducts simulated emergency exercises which provide opportunities for emergency responders and their organizations to perform emergency duties and to build competencies.

Post-emergency situation reviews and assessments of emergency events are critical to assessing how effectively the CFIA manages emergencies. These reviews identify issues and lessons learned. They often result in recommendations related to capacity, leadership, intelligence and information management, processes and protocols, communications and linkages among partners.

KEY ELEMENTS OF PREPARING FOR EMERGENCIES

- Establish effective emergency inter-governmental links, including plans for emergency partner interaction and decision making
- Develop and update emergency plans and procedures
- Design, coordinate, conduct and participate in emergency exercises
- Conduct situation assessments on emergency events and share lessons learned
- Enhance the emergency operations centres with new technologies as required, and as technologies advance
- Provide advance warning and intelligence products

The capacity to gather and critically analyse information related to potential threats to the food supply and agricultural resource base is essential to Canada's long-term security. The CFIA gathers and analyses information for decision making on an ongoing basis. This is supported by links that are maintained internally and externally with other Canadian government departments and agencies, industry, foreign governments and international bodies.

Special Initiatives:

- ✦ **Update Foreign Animal Disease Emergency (FADES) agreements with the provinces/ territories; develop timetable to exercise agreements:** Under the *Health of Animals Act*, the CFIA is responsible for responding to foreign animal diseases (FAD) outbreaks in Canada. Given that some FAD outbreaks have the capability to spread rapidly and that some have the potential to be transmissible to humans, effective control and eradication could require the provision of extraordinary resources from a broad spectrum of stakeholders, such as the provinces/territories. The FADES plans were developed to detail the collaborative FAD emergency response activity between the CFIA and individual provinces and territories. It is anticipated that most FADES agreements will be finalized in 2006.
(Key partners — Provinces and Territories)

- ✦ **Establish a national veterinary reserve:** A national veterinary reserve will provide additional surge capacity of trained animal disease response emergency personnel to further enhance preparedness. This additional capacity will also serve to augment Canada’s ability to collaborate at the international level to address emerging risks at their source, without compromising its operational and business continuity obligations domestically. *(Key partners — Canadian Veterinary Medical Association (CVMA), Provinces, Provincial Veterinary Associations and Registrars, PHAC, PSEPC).*

Table 2.4a Expected result and related indicators for preparing for emergencies

Expected Result	Indicators	Performance Targets ²⁰
The Agency is in a state of readiness for an effective rapid response to emergencies	Extent to which CFIA has implemented aspects of Public Safety and Emergency Preparedness Canada’s (PSEPC) National Emergency Response System (NERS).	100% implementation.

✦ Indicates a key strategic risk mitigation strategy

²⁰ The targets are established performance measures for both industry’s and the Agency’s performance in relation to the expected result. Industry compliance rates of less than 100% are representative of the Agency’s risk-based inspection approach which targets areas of high-risk and past non-compliance. The Agency strives to promote improved industry compliance on a year-to-year basis and has an enforcement and compliance strategy to address all instances of non-compliance. For more information on the targets, please see page 23.

2.4b Enhancing capacity to respond to emergencies

Ongoing activities:

The 2001 Federal Budget allocated funds to be spent over the next five years on public security and anti-terrorism (PSAT) activities to improve security for Canadians. Since the 2002-2003 fiscal year, the CFIA has been allocated approximately \$30 million per year to increase its capacity to respond to emergencies. This includes strengthening surveillance and detection, science and laboratory capacity, and border controls.

The CFIA conducts surveillance and information sharing on an ongoing basis in order to anticipate potential deliberate threats and prepare accordingly. PSAT funding for surveillance and early-detection activities supplements the Agency's regular funding for monitoring food, animal and plant commodities.

The CFIA's laboratories provide testing services in support of food safety security and threats to the animal and plant resource base, and surveillance activities. In particular, laboratories must be capable of detecting potential high-threat agents in food and potentially harmful plant pests and foreign animal diseases. The CFIA continues to work on developing better methods and procedures for detecting pathogens such as viruses, parasites and bacteria in food, and for detecting zoonotic and foreign animal diseases. Further, the security of laboratories themselves is continuously reviewed and enhanced as necessary.

KEY ELEMENTS OF ENHANCING CAPACITY TO RESPOND TO EMERGENCIES

- Enhance surveillance capacity
- Enhance effective internal mechanisms/processes to address agro-terrorism threats
- Enhance laboratory capacity for addressing deliberate threats to the food supply and animal and plant resource base
- Enhance laboratory bio-security

The CFIA maintains important linkages with its partners in order to respond effectively in emergency situations, and works closely with the Canada Border Services Agency in support of controls at border points.

Special Initiative:

- **✦ Develop and test a business continuity plan:**
In accordance with the Government Security Policy, *Emergency Preparedness Act*, and *Financial Administration Act*, the CFIA is implementing a multi-year strategy to establish a business continuity planning (BCP) program. The BCP will focus on minimizing interruptions relative to the availability of critical services and associated assets in emergency situations. In 2006–07 work will include identifying best practices, dependencies and scope of requirements.

Table 2.4b Expected result and related indicators for enhancing capacity to respond to emergencies

66

Expected Result	Indicator	Performance Target ²¹
The Agency has the capacity to respond to emergencies.	Extent to which CFIA has implemented aspects of Public Safety and Emergency Preparedness Canada’s (PSEPC) National Emergency Response System (NERS).	100% implementation.

²¹ The targets are established performance measures for both industry’s and the Agency’s performance in relation to the expected result. Industry compliance rates of less than 100% are representative of the Agency’s risk-based inspection approach which targets areas of high-risk and past non-compliance. The Agency strives to promote improved industry compliance on a year-to-year basis and has an enforcement and compliance strategy to address all instances of non-compliance. For more information on the targets, please see page 23.

2.4c Regulatory research — Public security (including CRTI initiatives)

(New addition for 2006–07)

The capability to respond to new and emerging threats to our food supply is an integral component of the Agency's food safety program and enables the Agency to be a key contributor to a broad collaborative network of partners involved in efforts to strengthen Canada's preparedness for and response to potential terrorist threats. Research is undertaken to develop methodologies to detect potential contamination of the food supply which would not normally be expected to be found in food. Examples include methodologies to detect *Yersinia pestis* (plague), *Bacillus anthracis* (anthrax), and *ricin* (a toxin that has potential to be used as an agent of biological warfare) in the food supply. Having the detection methodology allows the Agency to be prepared to respond to deliberate threats to our food supply.

Recent examples of outbreaks of contagious animal diseases, such as highly pathogenic avian influenza in British Columbia poultry in 2004, foot-and-mouth disease in the United Kingdom in 2001, and classical swine fever in the late 1990s in the Netherlands, highlight the need to be well-prepared and able to manage outbreaks rapidly and effectively. The CFIA conducts research to better protect, detect and respond to intentional and non-intentional incursions.

KEY ELEMENT OF REGULATORY RESEARCH — PUBLIC SECURITY

- Conduct regulatory research in support of public security

The Chemical, Biological, Radiological and Nuclear Research and Technology Initiative (CRTI) represents the federal science community's response and commitment to providing scientific solutions to issues of counter terrorism and national security. Through the creation of laboratory networks across the federal government that collaborate with industry, academia and first responder communities, and through key research and technology development initiatives, the CFIA will provide new knowledge, technology, and capacity necessary for Chemical, Biological, Radiological and Nuclear (CBRN) prevention preparedness and response. The CFIA will continue to co-chair the Biological cluster of federal laboratories with the Public Health Agency of Canada.

Current Research Initiatives:

- **✦ Validate and implement screening and confirm methodology for specific food-borne pathogens:** The CFIA food laboratory will continue to validate and implement both screening and confirmation methodology for detection of level 3 pathogens, such as *Yersinia pestis* and *Bacillus anthracis* in food.



Current CRTI-related Research Initiatives:

- **✦ Develop simulation tools that utilize computer models for disease spread:** The CFIA will develop simulation tools for disease spread to understand risk factors and to assist in developing control strategies.
- **✦ Develop more effective rapid detection tests:** Rapid detection tests will be developed, including those that use high throughput techniques and nanotechnology for sensitive and more efficient detection. The CFIA will lead a CRTI funded project for the development

of a nanochip technology for the detection of animal pathogens used in an agro-terrorism attack. This research will commence in 2006–07 with projected completion in 2008–09.

- **✦ Continue to develop surveillance and communication networks:** With provincial partners, the development of surveillance and communication networks will improve early detection of high threat animal diseases and improve linkages, with the National US Animal Health Laboratory Network.

Table 2.4c Expected result and related indicators for regulatory research — public security

Expected Result	Indicators	Performance Targets
Decision making related to public security is supported by sound, sufficient and current Agency regulatory research.	Indicators are currently under development.	TBD

✦ Indicates a key strategic risk mitigation strategy

2.5 Providing sound Agency management

The Treasury Board Secretariat (TBS), in its plan to improve management in federal departments and agencies, states that “good management is about being accountable and transparent. It is about building integrated responsive government that can leverage information and manage resources and relationships in innovative ways to deliver public value.”²²

The Management Accountability Framework (MAF), part of TBS’s approach to encouraging management excellence and enhancing oversight of management practices, is being implemented across government. It consists of ten interconnected elements, such as risk management, accountability and stewardship, which are critical to management excellence. Using over 40 indicators, the TBS assesses each department on implementation of the Framework on an annual basis.

More information on the MAF can be found at:

<http://www.tbs-sct.gc.ca/maf-crg>

The CFIA views the implementation of the MAF as a means to continuously improve management processes so that the Agency’s core mandate can be delivered in the most effective and efficient manner possible. In 2005-06, the CFIA instituted a new governance structure to make the decision-making process more effective and more responsive to changing circumstances that affect the Agency. Early experience with the new structure has shown that it has resulted in a more integrated approach to decision making. For additional information please see details on pages that follow.

This final section of CFIA’s detailed plans for 2006–07, entitled “Sound Agency Management,” is presented according to the MAF elements and indicators. It should be noted that the CFIA is actively addressing all MAF elements and indicators. Special priority, however, is being placed on certain initiatives. Those initiatives are highlighted in the plan that follows.

STRATEGIC OUTCOME
2.5 Providing Sound Agency Management
PROGRAM ACTIVITY
Governance and Management
MANAGEMENT ACCOUNTABILITY FRAMEWORK ELEMENTS
2.5a Risk Management, Accountability, Governance and Strategic Directions, and Results and Performance
2.5b People, Values and Learning
2.5c Policy, Programs and Citizen-focussed Service
2.5d Stewardship
RESOURCE ALLOCATION
<i>Resources attributable to “Sound Agency Management” have been allocated to the four other strategic outcomes of the Agency on a pro-rata share</i>

²² Management in the Government of Canada: A Commitment to Continuous Improvement, October 2005

2.5a Risk Management, Accountability, Governance and Strategic Directions, and Results and Performance

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MAF ELEMENTS	INDICATORS	
Risk Management	Legal risk management	Risk
Accountability	Authorities and delegation	
Governance and Strategic Directions	Governance legitimacy	Governance structure
	Effective planning	Horizontal initiatives
	Portfolio management	
Results and Performance	Evaluation function	Financial reporting
	Information and decision making	Performance reporting

Special Initiative:

- ✦ **Setting targets and performance reporting:** The CFIA has implemented a results-oriented performance management framework (PMF) designed to improve data collection, management and performance reporting. More recently, the PMF was re-aligned to ensure consistency with the Management, Resources and Results Structure. The CFIA, in response to the Auditor General's assessment of its 2004–05 DPR,

committed to “dedicating significant effort to fully implement its PMF, including more clearly setting out measurable expectations and targets for the CFIA's performance and for the sectors it regulates.”²³ In accordance with this commitment, this RPP has set targets for its key activities as well as for relevant regulated sectors. The Agency will continue the development and refinement of performance indicators and targets in 2006–07.

✦ Indicates a key strategic risk mitigation strategy

²³ Canadian Food Inspection Agency Performance Report for the period ending 31 March 2005

CFIA'S NEW GOVERNANCE STRUCTURE

Recognizing the importance of leadership and transparent decision making, the CFIA has implemented an integrated governance structure. Under this structure, two senior decision-making committees take on the primary roles of information sharing and policy approval. The Executive Management Committee (EMC) acts as a forum for information sharing and updates on matters of ongoing interest and emerging issues. The Executive Policy Committee (EPC) is the key point of integration for the Agency, as it provides strategic policy direction for programs and administration, resource allocation, risk management and planning.

The EPC is supported by six Executive Sub-Committees:

- Finance and Administration
- Corporate Planning and Reporting
- Human Resources
- Regulations and Agreements
- Information Management and Technology
- Communications

Each sub-committee provides strategic advice to EPC on policies and strategies related to its mandate.

In addition, the Agency has established an independent Executive Sub-Committee on Audit and Risk Management, which is chaired by the President. This sub-committee fulfils the terms and conditions of the Treasury Board policies on internal audit and risk management, and ensures independent and objective advice, guidance and assurance on the adequacy of the Agency's control and accountability processes.

The Agency's Executive Management Board (EMB), which is comprised of senior Agency executives, focuses on administrative and policy issues and new initiatives requiring broad-based consultation and in-depth deliberation. The EMB will:

- Enhance the Agency's policy-making capacities,
- Focus the senior executives on issues of national concern,
- Serve to integrate the perspectives and experiences of the Agency's senior management team in decision making and long-term strategic planning,
- Contribute to setting the Agency's strategic agenda and work plan.

2.5b People, Values and Learning

MAF ELEMENTS	INDICATORS	
People	Workplace	Workforce
	Employment equity	HR planning
	Official languages	Performance review
	Readiness for PSMA ²⁴ implementation	
Values	Leadership	Organizational culture
	Guidelines and recourse	
Learning	Innovation and change management	Organizational learning

Special Initiatives:

- Ensure the Agency’s population reflects the diversity of the Canadian population:** The CFIA is subject to the *Employment Equity Act and Regulations*, and the *Canadian Human Rights Act*. In order to achieve employment equity, the Agency plans, promotes and implements employment practices that are free of barriers and that encourage the full participation of designated groups in the Agency’s activities. The Agency has set goals in its 2004–07 Employment Equity Plan and measures progress against these goals on an annual basis. In 2006, the CFIA will undertake key activities to ensure that its workforce reflects the diversity of the Canadian population. These activities include completing an employment equity workforce analysis to accurately identify where under-representation exists, establishing short- and long-term goals to bridge the gaps in under-representation, and developing concrete measures to attain the established goals that will be reflected in the Employment Equity Plan.

YOUTH NETWORK

The CFIA recognizes the wide diversity of its employee base. The creation of a Youth Network in 2006 serves as a showcase to empower and retain young employees while promoting the CFIA as an employer of choice.

- Meet official languages obligations:** The CFIA is committed to meeting the requirements of the *Official Languages Act* and the CFIA official languages policies. The Agency has introduced three initiatives that will address current issues and challenges, strengthen program management, and respond to the new PSHRMAC²⁵ policies and directives. These initiatives are: the introduction of a revised official language policy; the development of an official language accountability framework; and, the development of a three-year strategic plan that outlines specific measures to undertake over this time period in order to achieve results.

²⁴ Public Service Modernization Act (PSMA)

²⁵ Public Service Human Resources Management Agency of Canada

- ✦ **Enhance the focus on learning, including implementing a prerequisite training program for new managers and developing additional e-learning products:** The CFIA is committed to providing all employees with training and tools they need to do their jobs and support them with career long learning and development opportunities. The CFIA developed a revised learning policy in 2004 that provides direction to managers and employees on the management of learning and encourages the development of a strong culture of continuous learning. As a learning organization, the CFIA will be able to continuously improve through new ideas, knowledge, and insights, which it will use to find new and better ways to fulfill its mission. In 2006, the CFIA will continue to enhance its focus on learning through the launch of training for all managers with delegated authorities and the development of additional e-learning materials. Meat hygiene modules will be updated to support meat reform and new training developed around AI preparedness. The Development Fund, which supports succession planning, will be doubled, reaching \$2 million.

WORKPLACE WELLNESS

The CFIA's workplace wellness program promotes a balanced way of living by assisting managers, employees and their families in developing and maintaining personal and professional quality of life. Following the 2006 employee survey, the CFIA will apply a series of HR metrics to measure workplace wellness and follow-up on areas of importance.

- Launch second Agency-wide employee survey:** In 2004–05, the Agency took steps to follow up on the results of an employee survey that had been carried out in 2003, and which covered many organizational wellness issues. This survey paralleled an earlier 2002 government-wide survey, which was designed to solicit the views of Public Service employees on their work environment and overall job satisfaction, and allowed CFIA to compare its employees' responses with those of public servants across Canada. In the fall of 2004, each branch developed an action plan to deal with the key issues that emerged from the survey. In September 2006, the CFIA will re-survey its employees to assess the effectiveness of these plans and gather new information.
- Integrate Human Resources planning into the Business Process:** The CFIA is committed to integrating HR planning into business planning in order to better forecast HR needs and integrate HR requirements in business plans. In 2004–05, Human Resources planning advisors began working with CFIA organization units to ensure that the HR impact of business plans was considered. In 2006–07, additional HR planning tools will be available to CFIA business planners and training on HR planning will be included in the CFIA's pre-requisite training program for managers.

2.5c Policy, Programs and Citizen-Focussed Service

MAF ELEMENTS	INDICATORS	
Policy and Programs	Policy framework	Strategic policy capacity
Citizen-Focussed Service	External service delivery strategy	Government-wide services
	Official languages for external service delivery	Service delivery and user fees

Special Initiatives:

- ✦ **Develop a consultation policy and database:** The Government of Canada, in its policy on consulting and engaging Canadians, states that “developing new and more effective mechanisms for engaging citizens in governance is critical to the legitimacy of public institutions, the quality of public policy, and the responsiveness of public services.” In 2005, the CFIA, in an effort to support the key priority of government to enhance transparency and accountability, completed a draft consultation policy. This policy supports the Agency in maintaining strategic, effective and well-managed processes for consulting and engaging its stakeholders in the development, implementation, review and evaluation of its policies, programs, services and initiatives. Work will continue in 2006 to develop an electronic inventory/database of CFIA consultations and a communications plan for the implementation of the framework.
- ✦ **Continued implementation of the program delivery consistency initiative:** In September 2003, the CFIA completed a comprehensive review of the consistency of operational delivery of the Agency’s services across the country. In addition, the Agency took steps to implement a quality management system that would apply to three broad areas of activity: inspection, cost recovery and investigation. The CFIA will be pursuing consistency initiatives, including the implementation of national activity verification recommendations related to improved supervisory oversight, policy distribution and interpretation, inspectors training and certification, enforcement procedures and guidance teams. Progress made towards achieving consistency will be measured, activity verification criteria will be defined and validated, and national activity verification will be implemented in the areas of meat and processed meat, dairy, food safety and animal health.
- ✦ **Official languages for external service delivery:** In accordance with Part IV of the *Official Languages Act*, the Agency is required to have bilingual capacity in all offices designated bilingual for service to the public. Temporary administrative measures are currently being put in place for all offices that do not have bilingual capacity. In 2006–2007 a long-term action plan will be developed and implemented to address this issue. The Agency aims to improve its capacity to provide services in both official languages by 10% each year over the next three years.

✦ Indicates a key strategic risk mitigation strategy

2.5d Stewardship

MAF ELEMENTS	INDICATORS	
Stewardship	Capital assets	Procurement and contract management
	Financial analysis	Project management
	Information and IT management	Quality of TB submissions
	Internal audit function	Real property
	Management of transfer payments	Treasury Board conditions
	Material management	

Special Initiatives:

- ✦ **Develop an Integrated Asset Management**

Framework: Keeping the Agency’s asset base updated and in a state of readiness are critical to maintaining the capacity to respond to threats to the security of the food supply and to requirements of domestic and international standards. In April 2005, the Agency’s Long Term Capital Plan (LTCP) for 2005–06 to 2009–2010 was completed and approved by the Treasury Board with the condition to develop an asset management framework to appropriately reflect capital investments. The development of the CFIA’s Integrated Asset Management Framework will ensure sound management of real property and moveable assets (critical information technology infrastructure, fleet vehicles, and capital equipment) and include a good governance regime for asset management strategies, integrated capital investment planning, and process improvements for life-cycle management practices. This initiative represents a major step forward in effective management of the Agency’s capital investments.

- **Deliver training in areas of financial managerial competency:** The Agency will focus on improving overall financial management decision making by implementing a revised resource allocation (and reallocation) regime during 2006–07. The major components will include: earlier allocations to branches to improve budget management; increased capacity (i.e. senior financial specialists) both at the corporate and branch levels; more frequent variance reporting and challenge functions; establishment of a Strategic Investment Fund to finance short and longer-term priorities, as well as a vehicle to identify reallocation opportunities.

- **Procurement and contract management:** The CFIA delegation of Financial Signing Authorities provides managers with Spending Authority but restricts all Contracting Authority above \$10K to Finance, Administration and Information Technology Branch employees within the National Procurement and Contracting Services (NPCSC) and the National Asset and Fleet Management Services Centre (NAFMSC). Contracting delegations are linked to the senior contracting positions within the NPCSC ensuring all complex and high dollar value transactions are reviewed by the most experienced and knowledgeable contracting officials in the Agency. In addition, the NPCSC has modified its contracting procedures and has established a Contract review Committee (CRC) to review all contract proposals exceeding \$1M or any other proposal considered high risk. The CRC will report to the Sub Committee on Finance and Administration (SCFA) which serves as the CFIA's Contract Review Board (CRB). This will be the forum to discuss yearly and quarterly proactive disclosure, contracting activity reports, to seek approval for new or revised policies and procedures and to challenge CFIA procurement/contracting practices. To ensure capacity and knowledge within the NPCSC and in conjunction with the official launch of the Treasury Board Professional Development and Certification Program in April 2006, a development training plan for staff of the NPCSC has been developed. In line with the program the mandatory courses for level one certification have been scheduled for all senior level staff. In light of the GOC "Way Forward" Procurement Reform initiative, the current organizational structure and mandate of the NPCSC is under review in order to shift the organization from transactional to providing strategic procurement planning and sourcing advisory services.
- **✦ Improve information and IT management:** The CFIA's Information Management/ Information Technology (IM/IT) infrastructure must continuously evolve to keep pace with demands. The Network Access Upgrade Project (NAUP) is underway to reflect the requirement to implement faster data telecommunication to CFIA locations currently on dial-up at an aggressive timeline. The CFIA also recognizes that governance of IM/IT is inseparable from overall business planning and will ensure that IM/IT investments are aligned with the Agency's corporate priorities. To this end, a new Executive Sub-Committee on IM/IT to increase and enhance the focus on IM/IT and to improve alignment to Agency business planning has been created. In addition, the CFIA has submitted its Management of Information Technology Security Action Plan to Treasury Board and is in the process of implementing a phased approach to meeting its MITS compliance commitments to ensure substantial compliance by December 2006.
- **Implement the TBS Internal Audit Policy:** In the Budget 2004, the Government of Canada committed to reorganize and bolster the internal audit function government-wide. A new *Internal Audit Policy* was announced in the fall of 2005 and will take effect April 1, 2006. The objective of the policy is to strengthen public sector accountability, risk management, resource stewardship and good governance by reorganizing and bolstering internal audit on a government-wide basis. The CFIA has adopted a proactive, incremental approach to implementation of the policy which is to be phased in across government from April 2006 to 2009. The CFIA is working on a business case which will identify gaps in key systems, practices and controls, and will highlight areas requiring additional resources. Implementation of the policy will be coordinated with other CFIA oversight measures.

- **Implement an Environmental Management Program:** The CFIA is committed to the continued development and ongoing management of its environmental management program. A Results-Based Management and Accountability Framework has been developed as a foundation for the Agency's environmental management program, whereby outlining roles and responsibilities at the branch level for environmental management, expected program key results and a roadmap for ongoing performance measurement and reporting. A three-year workplan is currently being developed, outlining the ongoing establishment of the program and action on priority initiatives, including fleet, green procurement and building energy.
- **Management of Transfer Payments:** The CFIA works with a variety of partners including other levels of government, universities and colleges, and research and scientific organizations. In order to continue supporting these organizations, the Agency has received approval from the Treasury Board Secretariat on an expanded contribution program whereby the CFIA's programs can broaden their reach by supporting collaborative and partner initiatives. This will provide the Agency with a mechanism to provide funding to provinces, industry associations and academia to better leverage the overall capacity of the food inspection system.

Section III: Supplementary Information

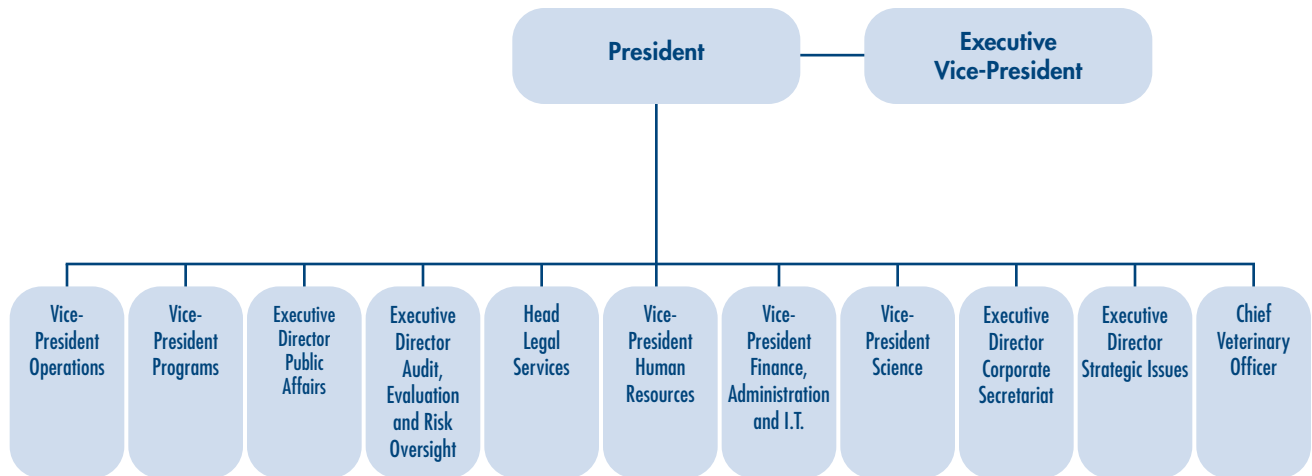
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3.1 Organizational Information

The CFIA is headed by a President, who reports to the Minister of Agriculture and Agri-Food. The following organizational chart depicts the reporting structure within the CFIA.

The CFIA has an integrated governance structure whereby all Vice Presidents and Executive Directors have specific accountabilities that contribute to the achievement of each of the CFIA's strategic objectives.

Canadian Food Inspection Agency



3.2 Financial Tables

Table 1: Agency Planned Spending (\$millions) and Full Time Equivalents

	Forecast Spending 2005–06	Planned Spending 2006–07	Planned Spending 2007–08	Planned Spending 2008–09
Food Safety and Public Health	288.9	350.1	316.3	287.7
Science and Regulation	125.2	132.0	128.4	128.5
Animal and Plant Resource Protection	98.9	117.5	117.2	116.1
Public Security	26.0	26.9	26.6	26.6
Budgetary Main Estimates (gross)	539.0	626.5	588.5	558.9
Less: Respendable revenue	50.0	55.0	55.0	55.0
Total Main Estimates¹	489.0	571.5	533.5	503.9
<i>Adjustments:</i>				
Governor General Special Warrants: ²				
Operating budget carry forward	18.3	0	0	0
Measures by the CFIA to address the Bovine Spongiform Encephalopathy (BSE)				
Recovery Program by Facilitating the Transition for the Cattle and Other Ruminant Industries	1.8	0	0	0
Immediate Steps for Avian and Pandemic Influenza Preparedness	5.2	31.0	72.0	32.0
Extension of funding for the Canadian Biotechnology Strategy	0.8	0	0	0
Smart Regulations Implementation Strategy	0.3	0	0	0
Invasive Alien Species	3.0	0	0	0
National Aquatic Animal Health Program (NAAHP)	1.3	0	0	0
Measures by the CFIA to address the Bovine Spongiform Encephalopathy (BSE)				
Recovery Program by Repositioning the Canadian beef and cattle industry and strengthening animal feed restrictions	33.1	0	0	0
Corporate Administrative Shared Services	0.4	0	0	0
Expenditure Review Committee Reductions	(3.6)	0	0	0
Expenditure Review Committee Reductions — Procurement Savings	(0.4)	(1.9)	0	0
Paylist Shortfalls (severance pay, maternity and parental benefits, vacation credits payable upon termination of employment with the Public Service)	14.0	0	0	0
Collective Bargaining	48.4	0	0	0
<i>Other:</i>				
Justice Canada	(3.7)	0	0	0
Slaughterhouse inspection	0	35.0	25.0	25.0
Campaign — Be aware and Declare	0	2.0	0	0
<i>Total Adjustments</i>	<i>118.9</i>	<i>66.1</i>	<i>97.0</i>	<i>57.0</i>
Total Planned Spending	607.9	637.6	630.5	560.9
Total Planned Spending	607.9	637.6	630.5	560.9
Less: Non-respendable revenue	1.1	1.1	1.1	1.1
Plus: Cost of services received without charge	51.2	56.9	52.0	50.8
Net Cost of Agency	658.0	693.4	681.4	610.6
Full Time Equivalents	6,360	6,401	6,061	5,861

Notes:

¹ The 2006-2007 Main Estimates for the Canadian Food Inspection Agency is \$571.5 million, a net increase of \$82.5 million from the previous year. The major changes are as follows: an increase of \$30.3 million for collective bargaining; an increase of \$45.1 million for activities to mitigate the impact of the Bovine Spongiform Encephalopathy (BSE) crisis; an increase of \$9.6 million for implementation of the Invasive Alien Species Strategy for Canada; an increase of \$5.8 million for the National Aquatic Animal Health Program (NAAHP); a decrease of \$5.1 million related to the Expenditure Review Committee reductions; a decrease of \$3.8 million related to the decrease in Employee Benefit Plans from 20% to 19%.

² The adjustments for the Governor General Special Warrants above do not include the impact of Employee Benefit Plan (EBP) charges in 2005–2006.

Table 2: Program Activities 2006–2007 (\$ millions)

Program Activity	Operating	Capital	Contributions and Other Transfer Payments	Gross	Responsible Revenue	Total Main Estimates	Adjustments (Planned Spending not in Main Estimates)	Total Planned Spending
Food Safety and Public Health	349.0	1.0	0.1	350.1	31.3	318.8	34.7	353.5
Science and Regulation	125.0	7.0	0.0	132.0	12.6	119.4	0.2	119.6
Animal and Plant Resource Protection	114.2	1.7	1.6	117.5	10.9	106.6	0.1	106.7
Public Security	21.9	5.0	0.0	26.9	0.2	26.7	31.1	57.8
Total	610.1	14.7	1.7	626.5	55.0	571.5	66.1	637.6

Table 3: Voted and Statutory Items listed in Main Estimates 2006–2007 (\$ millions)

Vote or Statutory Item	Truncated Vote or Statutory Wording	Current Main Estimates	Previous Main Estimates
30	Operating Expenditures and Contributions	482.4	406.6
35	Capital Expenditures	14.7	14.5
(S)	Compensation Payments	1.5	1.5
(S)	Contributions to employee benefit plans	72.9	66.4
	Total Agency	571.5	489.0

Table 4: Services Received Without Charge (\$ millions)

	2006–2007
Accommodation provided by Public Works and Government Services Canada (PWGSC), border crossings, airports and other government departments (OGD)	23.9
Contributions covering employers' share of employees' insurance premiums and expenditures paid by Treasury Board of Canada Secretariat (excluding revolving funds) Employer's contribution to employees' insured benefits plans and expenditures paid by TBS	28.8
Worker's compensation coverage provided by Human Resources and Skills Development Canada*	0.0
Office of the Auditor General - Estimated cost for the audit	0.2
Salary and associated expenditures of legal services provided by the Department of Justice Canada	4.0
2006-2007 Services received without charge	56.9

*Amount is less than \$50K, therefore is not shown on this table.

Table 5: Summary of Capital Spending by Program Activity (\$ millions)

	Forecast Spending 2005–2006	Planned Spending 2006–2007	Planned Spending 2007–2008	Planned Spending 2008–2009
Food Safety and Public Health	7.0	1.0	1.0	1.0
Science and Regulation	3.6	7.0	7.0	7.0
Animal and Plant Resource Protection	5.3	1.7	1.8	1.5
Public Security	2.7	10.1	30.0	5.2
Total	18.6	19.8	39.8	14.7

Note:

The 2005–2006 Forecast Spending by Strategic Outcome varies from the 2006–2007 Planned Spending due to changes in priority for capital investments. The allocation changes from year to year depending on which Strategic Outcome(s) the capital investment is supporting.

Table 6: Source of Respendable and Non-Respendable Revenue (\$ millions)

	Forecast Revenue 2005–2006	Planned Revenue 2006–2007	Planned Revenue 2007–2008	Planned Revenue 2008–2009
Respendable Revenue				
Food Safety and Public Health				
Vote-netted Revenue	31.3	31.3	31.3	31.3
Science and Regulation				
Vote-netted Revenue	12.6	12.6	12.6	12.6
Animal and Plant Resource Protection				
Vote-netted Revenue	10.9	10.9	10.9	10.9
Public Security				
Vote-netted Revenue	0.2	0.2	0.2	0.2
Total Respendable Revenue	55.0	55.0	55.0	55.0
Non-Respendable Revenue				
Food Safety and Public Health				
Administrative Monetary Penalties	0.6	0.6	0.6	0.6
Interest on Overdue Accounts Receivable	0.1	0.1	0.1	0.1
Proceeds from sale of Crown Assets	0.4	0.4	0.4	0.4
Science and Regulation				
	0.0	0.0	0.0	0.0
Animal and Plant Resource Protection				
	0.0	0.0	0.0	0.0
Public Security				
	0.0	0.0	0.0	0.0
Total Non-Respendable Revenue	1.1	1.1	1.1	1.1
Total Respendable and Non-Respendable Revenue	56.1	56.1	56.1	56.1

Table 7: Resource Requirement by Branch 2006–2007 (\$ millions)

	Food Safety and Public Health	Science and Regulation	Animal and Plant Resource Protection	Public Security	Total Planned Spending
Operations	218.2	32.2	37.7	14.8	302.9
Programs	29.9	13.9	20.6	5.6	70.0
Science	37.0	34.3	24.1	11.1	106.5
Corporate Branches	52.5	29.5	18.8	12.0	112.8
Subtotal Operating	337.6	109.9	101.2	43.5	592.2
Capital	1.0	7.0	1.7	10.1	19.8
EBP	46.2	15.3	13.2	4.4	79.1
Statutory	0.0	0.0	1.5	0.0	1.5
Gross Planned Spending	384.8	132.2	117.6	58.0	692.6
Less: Respendable Revenue	31.3	12.6	10.9	0.2	55.0
Total	353.5	119.6	106.7	57.8	637.6

Table 8: Details on Project Spending

Over the next three years, the following projects, which have either already received Effective Project Approval (EPA) or will require Effective Project Approval, have or are expected to exceed their original delegated project approval level:

Headquarters complex for the Agriculture Portfolio — Ottawa, ON

Saskatoon Laboratory, mid-life retrofit — Saskatoon, SK

Ottawa Laboratory (Fallowfield), mid-life retrofit — Ottawa, ON

Ottawa Laboratory (Fallowfield), Level 3 Animal Wing, construction — Ottawa, ON

Lethbridge Laboratory, structural building reinforcement — Lethbridge, AB

Lethbridge Laboratory, mid-life retrofit — Lethbridge, AB

Burnaby Laboratory, mid-life retrofit — Burnaby, BC

St-Hyacinthe Laboratory, mid-life retrofit — St-Hyacinthe, PQ

For further information on the above-mentioned projects see www.tbs-sct.gc.ca/est-pre/estime.asp

3.3 Major Regulatory Initiatives

The CFIA enforces 42 sets of regulations related to the 13 Acts that form the Agency's legislative mandate. There are twelve major regulatory initiatives that are ongoing. When significant regulatory initiatives are proposed, a major cost-benefit analysis is completed. Proposed major regulatory initiatives are listed below.

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Major Regulatory Initiatives 2006-07²⁶

Enhanced Feed Ban (*Health of Animals Regulations, Feeds Regulations, Meat Inspection Regulations and Fertilizers Regulations*)

Modifications to the existing feed ban regulations are being considered to further prevent the potential spread of BSE to humans and other animals (i.e. remove exemptions and permitted practices in current ban, etc.).

Medicated Feeds Regulations (*Health of Animals Act*)

New regulations are being developed under the *Health of Animals Act* that will regulate how feeds are manufactured and will implement manufacturing to ensure that finished products meet regulatory standards. These regulations will apply to both commercial and non-commercial manufacturing operations that wish to manufacture any kind of medicated feed on their premises.

Humane Transport of Animals (*Health of Animals Regulations*)

The purpose of Part XII of the *Health of Animals Regulations* is to regulate animal transportation in Canada by setting reasonable standards of care that address the welfare of animals in transit. The regulations require strengthening and clarification. This regulatory proposal requires that carriers involved in the transport of live animals have knowledge of the species being transported. It identifies animal transportation risk factors, and requires that these be assessed prior to transport, and that remedial action be taken to address any factors which may result in injury, suffering or death to the animals. The internet is being used as a major avenue for consultation in preparation for the publication of Gazette I.

Meat Inspection Regulations — Re-write (*Meat Inspection Act*)

The purpose of the *Meat Inspection Act and Regulations* is to regulate the import, export and inter-provincial trade in meat products, the registration of establishments, the inspection of animals and meat products in registered establishments and the standards for animals slaughtered and for meat products prepared in those establishments. It is proposed that the *Meat Inspection Regulations* will be re-written to support a National Meat Inspection System. This would allow for a two-tier meat inspection system where both Tiers would require QA/HACCP system in place.

Review of Animal Health Compensation Program

In consultation with AAFC and industry, the review of the animal health compensation program will involve revising current methodology to estimate and establish new maximum amounts of compensation under the Animal Health Compensation program.

²⁶ According to the Treasury Board definition, a major regulatory initiative is one that costs more than \$50M or costs between \$100K and \$50M and has a low degree of public acceptance.

Major Regulatory Initiatives 2006-07 (continued)

Processed Products Regulations —
Re-write

The objective of this re-write is to propose revisions to the *Processed Products Regulations* to reflect the following:

- address inconsistencies with international standards, particularly CODEX standards of identity, in the existing regulations to improve market access;
- address current consumer needs;
- address current industry practices and latest technology;
- streamline administrative requirements;
- ease the requirements for bulk sizes; and
- update the list of compositional standards.

Fresh Fruit and Vegetable Regulations/Licensing and Arbitration Regulations — Regulatory Review

The fresh fruit and vegetable industry is becoming increasingly concerned about a possible erosion of confidence in the fresh fruit and vegetable industry due to a number of factors including:

- i. Unethical business practices
- ii. Grade standards for fresh fruits and vegetables which do not reflect current market practices
- iii. Lack of timely delivery of CFIA destination inspection services.

A review of the *Licensing and Arbitration Regulations* as well as the *Fresh Fruit and Vegetables Regulations* will be undertaken in consultation with Canadian stakeholders and foreign partners. This initiative is intended to enhance the current Canadian regulatory regime governing product grade and trading standards, dispute resolution and fraud prevention.

Organic Certification Regulations (Canada Agricultural Products Act)

Organic certification regulations are proposed under the authority of the *Canada Agricultural Products Act*. These regulations are being developed in part to satisfy European Union (EU) organic certification import requirements. The regime will incorporate existing private and provincial accreditation and certification infrastructure in Canada and will be based on International Standards Organization (ISO) criteria; enforcement activities, including import control, will be incorporated into the existing activities of the CFIA.

Seed Streamlining and Variety Registration Amendment (Seeds Regulations)

Under authority of the *Seeds Act* a proposed regulatory amendment is designed to increase the ability of the variety registration system to respond to evolving agri-food sector needs. This initiative is also designed to strengthen the regulatory framework and facilitate the modernization of regulations, programs and associated consultative processes governing, in particular, the production, import and sale of seed. Changes to the variety registration system are targeted for March 2007.

Major Regulatory Initiatives 2006-07 (continued)

Importation of Animals (*Health of Animals Regulations*)

A proposed amendment to the *Health of Animals Regulations* will bring the requirements for imports from the U.S. in line with the requirements from other countries. It is proposed to require a permit for the importation of the majority of bovine animals, and products derived from them, from the U.S. The Import Reference Document would be revised to remove the conditions allowing importation of cattle without a permit—with a few exceptions. It is still proposed to allow cattle for immediate slaughter to be imported from the U.S. without a permit.

This regulation will change the basis for animal health risk decisions set out in section 7 of the *Health of Animals Regulations*. There will also be a number of consequential amendments in other CFIA regulations to reflect the new wording.

Enhanced Regulation of Fertilizers and Supplements (*Fertilizers Regulations*)

The purpose of this regulatory initiative is to improve the identification, assessment, mitigation and management of risk in relation to the efficacy, safety and labelling of fertilizer and supplement products, and to propose changes to the product registration process. The establishment of a permanent consultative framework will result in strengthened coordination among federal departments and agencies, increased transparency, and improved stakeholder engagement in regulatory process. Consultation and development of proposed new product registration service standards are targeted for March 2007.

Bluetongue *Reportable Diseases Regulations* (*Health of Animals Regulations*)

The CFIA is proposing to change bluetongue from being a reportable disease to immediately notifiable. Adding bluetongue to the immediately notifiable list meets international (OIE) requirements as well as trade requirements and validates scientific assumptions that there are no competent vectors for this disease in Canada. This change reflects the appropriate level of effort on the part of the Agency to implement control measures against this disease. In order to remove bluetongue from the import requirements for live animals from the USA, bluetongue must be removed from the *Reportable Diseases Regulations*.

For more information, visit the CFIA's Web site at: www.inspection.gc.ca/english/reg/rege.shtml

3.4 Horizontal Initiatives

As per TBS guidelines, a horizontal initiative, for the purposes of this table, is an initiative in which partners from two or more organizations have received program funding and have formally agreed (e.g. Memoranda to Cabinet, Treasury Board Submissions, and federal/provincial agreements) to work together to achieve shared outcomes. The following table outlines the CFIA's horizontal initiatives for 2006–07.

Initiative	Profile	Partners
Public Security and Anti-terrorism (PSAT) Initiative	<p>In the 2001 Budget, the government allocated \$7.7 billion in new funds to be spent over the next five years on the PSAT initiative to enhance security for Canadians. As a contributing Agency, the CFIA will:</p> <ul style="list-style-type: none"> • deliver all federal food inspection, animal health, and plant protection measures; and, • respond to outbreaks of pests and diseases in plants and animals. <p>More information on this initiative can be found in Section 2.4.</p>	<ul style="list-style-type: none"> • Provinces/ Territories • Canada Border Service Agency
Chemical, Biological Radiological and Nuclear (CBRN) Research and Technology Initiative (CRTI)	<p>The events of September 11, 2001 moved the issues of counter terrorism and national security to the forefront of the nation's concerns. CRTI represents the federal science community's response and commitment to providing science solutions to these issues. Through the creation of laboratory networks across the federal government that collaborate with industry, academia and first responder communities, and through key research and technology development initiatives, the CFIA will provide new knowledge, technology, and capacity necessary for CBRN prevention preparedness and response.</p> <p>As well, the CFIA will continue to co-chair the biological cluster of federal laboratories with the Public Health Agency of Canada.</p>	<ul style="list-style-type: none"> • Agriculture and Agri-Food Canada • Canadian Nuclear Safety Commission • Canadian Security and Intelligence Service • Defence Research and Development Canada • Fisheries and Oceans Canada • Environment Canada • Health Canada • Public Health Agency of Canada • National Research Council • Natural Resources Canada • Public Safety and Emergency Preparedness Canada • Royal Canadian Mounted Police • Transport Canada

Initiative	Profile	Partners
Canadian Regulatory System for Biotechnology	<p>The Canadian Regulatory System for Biotechnology (CRSB) aims to develop an efficient, credible and well-respected regulatory system that safeguards the health of all Canadians and the environment and permits safe and effective products. The CRSB departments and agencies will be conducting a summative evaluation in 2006-07 to examine whether the expected results are being achieved. The CRSB will also continue to adapt to emerging novel applications of biotechnology as guided by Smart Regulation principles and by a strengthened horizontal governance mechanism for shared regulatory policy development and decision making.</p> <p>More information on this initiative can be found in Section 2.3.</p>	<ul style="list-style-type: none"> • Health Canada • Environment Canada • Industry Canada • Fisheries and Oceans Canada • Natural Resources Canada
AAFC-CFIA MOU on the Agricultural Policy Framework (APF)	<p>On December 2, 2003, the President of the CFIA and the Deputy Minister of AAFC signed a Memorandum of Understanding between the CFIA and AAFC on the APF.</p> <p>The MOU sets out general terms, roles and responsibilities for the management of the following initiatives funded under the APF and implemented by the CFIA: <i>Medicated Feed Regulations</i>; and <i>On-Farm Food Safety Recognition Program</i>.</p> <p>A total amount of \$27.0 million is provided to the CFIA under the APF to cover the two initiatives over a five-year period, starting on April 1, 2003.</p>	Agriculture and Agri-Food Canada

More information on horizontal initiatives can be found at: www.tbs-sct.gc.ca/est-pre/20062007/p3a_e.asp

3.5 Internal Audits and Evaluations

Internal Audit or Evaluation	Expected completion date
Audit of Human Resources	in 2006-07
Audit of Feed Program	in 2006-07
Audit of Physical Security	in 2006-07
Evaluation of Public Security and Anti-Terrorism initiative	in 2006-07
Audit of CFIA's Hazard Analysis Critical Control Point (HAACP) Program	in 2006-07

Other audits will be undertaken in 2006-07 following an update of the CFIA's risk-based audit plan and further direction from the Office of the Comptroller General for government-wide internal audits. The CFIA will also continue to work on the implementation of all elements of the revised Policy on Internal Audit.

Section IV: Annexes

4.1 Acronyms

AAFC	Agriculture and Agri-Food Canada
AI	Avian Influenza
APF	Agricultural Policy Framework
BCP	Business Continuity Planning Program
BSE	Bovine spongiform encephalopathy
CBRN	Chemical, Biological, Radiological and Nuclear
CBSA	Canada Border Services Agency
CCIA	Canadian Cattle Identification Agency
CFIA	Canadian Food Inspection Agency
CGC	Canadian Grain Commission
CODEX	Codex Alimentarius Commission
CRSB	Canadian Regulatory System for Biotechnology
CRTI	Chemical, Biological, Radiological and Radio-Nuclear Research and Technology Initiative
CSGA	Canadian Seed Growers Association
CVMA	Canadian Veterinary Medical Association
CWD	Chronic Wasting Disease
CWS	Canadian Wildlife Service
DFO	Fisheries and Oceans Canada
EBP	Employee Benefit Plan
EC	Environment Canada
F/P/T	Federal/provincial/territorial
FAC	Foreign Affairs Canada
FAD	Foreign Animal Disease
FADES	Foreign Animal Disease Emergency Support
FTEs	Full-time equivalent
HACCP	Hazard Analysis Critical Control Point
HC	Health Canada

HR	Human Resources
IAS	Invasive Alien Species
IM/IT	Information Management/Information Technology
LTCP	Long-term Capital Plan
MAF	Management Accountability Framework
MOU	Memorandum of Understanding
MRRS	Management, Resources and Results Structure
NAAHP	National Aquatic Animal Health Program
NCE	Network of Centres of Excellence
OFFS	On-Farm Food Safety
OIE	World Organisation for Animal Health
OTF	Organic Production System Task Force
PAA	Program Activity Architecture
PHAC	Public Health Agency of Canada
PMF	Performance Management Framework
PNTs	Plants with novel traits
PSAT	Public Security and Anti-Terrorism
PSEPC	Public Security and Emergency Preparedness Canada
PWGSC	Public Works and Government Services Canada
RPP	Report on Plans and Priorities
SARS	Severe Acute Respiratory Syndrome
SOP	Standard Operating Procedure
SPP	Security and Prosperity Partnership of North America
SRM	Specified risk material
TBS	Treasury Board Secretariat
TSEs	Transmissible spongiform encephalopathies

4.2 Web Links for Additional Information

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Canadian Food Inspection Agency	www.inspection.gc.ca
Avian Influenza	www.inspection.gc.ca/english/anima/heasan/disemala/avflu/avflue.shtml
Bovine Spongiform Encephalopathy	www.inspection.gc.ca/english/anima/heasan/disemala/bseesb/bseesbe.shtml
Corporate Business Plan	www.inspection.gc.ca/english/corpaifr/busplan/2003-2008/indexe.shtml
Feed Program	www.inspection.gc.ca/english/anima/feebet/feebete.shtml
Food Recalls and Allergy Alerts	www.inspection.gc.ca/english/corpaifr/reclarapp/recaltoce.shtml
Food Safety Web Wheel	www.inspection.gc.ca/english/corpaifr/educ/gamejeu/wheeroue.shtml
Invasive Alien Species	www.inspection.gc.ca/english/plaveg/invenv/invenve.shtml
National Aquatic Animal Health Program	www.inspection.gc.ca/english/anima/aqua/aquae.shtml
Prosecution Bulletins	www.inspection.gc.ca/english/corpaifr/projud/projude.shtml
Rabies	www.inspection.gc.ca/english/anima/heasan/disemala/rabrag/rabrage.shtml
Regulated plants with novel traits	active.inspection.gc.ca/eng/plaveg/bio/pntvcne.asp
Reportable Diseases	www.inspection.gc.ca/english/anima/heasan/disemala/guidee.shtml
Statement of Values	www.inspection.gc.ca/english/agen/val/vale.shtml
Treasury Board Secretariat: Management Accountability Framework	www.tbs-sct.gc.ca/maf-crg/documents/leaflet-depliant/leaflet-depliant_e.asp