



Canada-US Regulatory Cooperation Council (RCC) Financial Protection for Fresh Produce Sellers Action Plan Item

**Presentation to RCC Stakeholder Dialogue Session
June 20, 2013**

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Content

1. Overview of Financial Protection for Fresh Produce Sellers
2. Progress update
3. Process for ongoing alignment work
4. Next steps and key issues
5. Questions



Overview of Financial Protection for Produce Sellers

- The action plan released on December 7, 2011, proposed: to “... establish comparable approaches to achieve the common goal of protecting Canadian and U.S. fruit and vegetable suppliers from buyers that default on their payment obligations.”
- The Government of Canada (GoC) announced its decision on April 2, 2013, to consider a single licensing approach that would help to ensure payment to fresh produce sellers currently operating in Canada.
 - GoC analysis indicates that a single licensing approach within Canada will improve risk mitigation measures for producers.
- The GoC also announced that it recognizes the potential to go beyond a single licensing approach and is undertaking further analysis on other possible risk mitigation measures for the fresh produce sector.
- Ultimate objective remains to develop a made-in-Canada solution that ensures Canadian approach to financial risk mitigation provides comparable outcomes to what is offered in the U.S.



Progress update

- Two facilitated “brainstorming” sessions (May and June 2013) were held with key Canadian industry and Canadian Government officials to explore possible risk mitigation measures that could complement the single licensing system.
- On June 4th, the Canadian Food Inspection Agency (CFIA) began consultations on the Regulatory Framework regarding its *Safe Food for Canadians Act*.
- The GoC is using this consultation process to propose a single licensing approach and to solicit input to strengthen the current Canadian licensing and arbitration regime.
- Both Canada and U.S. are collaborating on developing a new timeline/critical path.



Next steps and key issues

- July - August, 2013: AAFC and CFIA will lead consultations with stakeholders on proposed elements of a single licensing approach.
- July – September, 2013: AAFC will deepen analysis of possible complementary measures/program enhancements with input from GoC partners and stakeholders as required.
 - Options to be informed by 3 key financial protection studies and GoC analysis.
- October 2013: AAFC will finalize analysis of possible complementary measures/program enhancements, focusing on the establishment of comparable outcomes, with input from GoC partners and stakeholders as required.
- October 2013: Stakeholder engagement to discuss a) outcomes of licensing consultations, and b) input received on possible complementary risk mitigation measures beyond licensing.



Next steps and key issues

- November-December 2013: AAFC will finalize recommendations to GoC on an approach to ensure comparable outcomes for fresh produce sellers operating in Canada relative to what's offered in the US.
- Key Considerations:
 - AAFC will provide updates to stakeholders and the US as required.
 - GoC confirms list of enhancements. USDA to determine level of support for GoC approach and whether any adjustments are required to ensure ongoing alignment and comparability of outcomes.
 - Once finalized, the draft food regulations will be consulted on and will include provisions for a single licensing approach.



RCC Path Forward

- Work in the coming months on systemic alignment/cooperative arrangements
 - Common Canada-U.S. critical path agreed to across all working groups
- Implement deeper stakeholder-working group engagement
 - webinars – to help reach out to non-traditional groups and regional firms
- Consider regulatory cooperation moving forward
 - input from stakeholders this summer
- Government discussions before the end of the mandate on securing Canada-USA regulatory cooperation

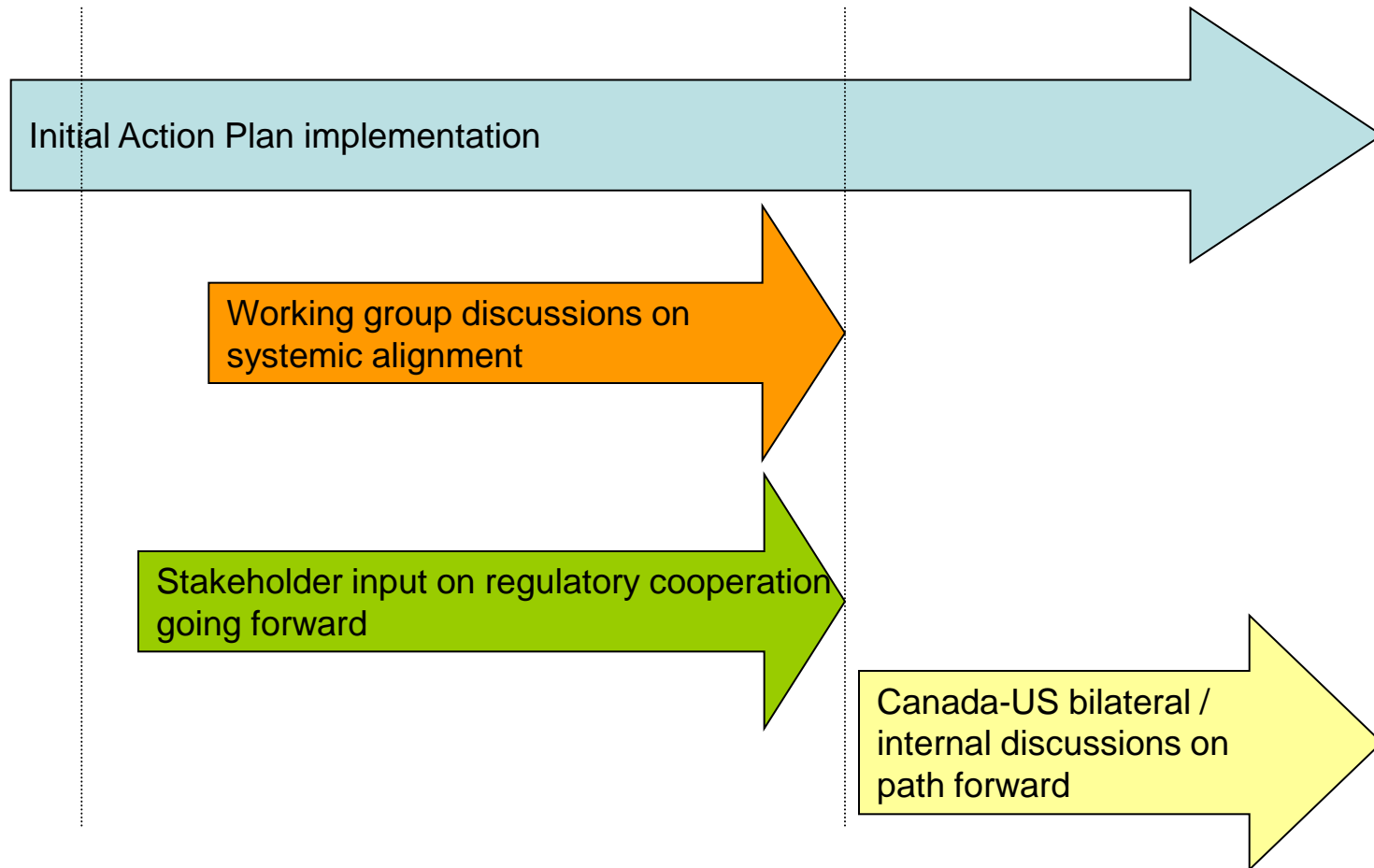


Key Phases

June 2013

Oct 2013

March 2014





Thank You

- Any Questions?