

# ***RCC Industry Panel – Food***

Presentation to RCC Stakeholder Dialogue Session  
June 20, 2013

*Rory McAlpine*

*Vice President, Government &  
Industry Relations*

*Maple Leaf Foods, Inc.*

*Carmen Stacy*

*Director, Global Issues &  
Multilateral Affairs*

*Grocery Manufacturers Association*

# Presentation today

- **Company Overviews**
  - Grocery Manufacturers Association (U.S.)
  - Maple Leaf Food, Inc. (Canada)
- **Examples of alignment opportunities**
- **Quantification of benefit to industry and consumer**

# GMA Overview

## Grocery Manufacturer's Association (U.S.)

### Product lines

- Consumer Packaged Goods (**CPGs**)
- processed food & beverages, personal care, household goods

### Agencies involved

- **USDA** (United States Department of Agriculture)
- **FDA** (Food & Drug Administration)
- **EPA** (Environmental Protection Agency)
- **DHS-CBP** (Customs & Border Protection)

### Size of business

- US CPG- \$2.1 trillion/ 14 M employees
- 2012 Food trade in consumer oriented and intermediate goods in 2012:
  - Export \$19.625 B
  - Import \$5.836 B

# Alignment opportunity

- **Equivalence**

- Recognition that many if not most Canada and US food safety systems are “equivalent”

$$0.5 = \frac{1}{2} = 50\%$$

- Examples: accepting each others' testing, inspections, audits, product approvals



# Benefits

- Eliminate Duplicate:
  - Inspections
  - Testing Requirements
  - Audits
- Reduced:
  - Certification Documentation
  - Border Delays
- Ability to Ship via Rail
- FSMA and SFCA Implementation
- Lower costs for businesses and consumers
  - More competitive globally

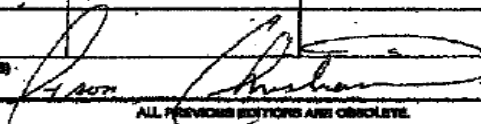


# Maple Leaf Foods Inc. Overview

- Maple Leaf Foods Inc. - meat, meals and bakery; \$4.9 b sales; 19,500 employees (700 in U.S.)
- Approx 650 meat shipments to U.S. per month (40% frozen, 40% fresh, 20% ready-to-eat) worth \$240 m in 2012.
- Approx 100 meat shipments from U.S. per month (fresh/frozen turkey, chicken, bacon and ready-to-eat items) worth \$45 m in 2012.
- All plants federally registered and GFSI certified (global food safety leader since 2008 *Listeriosis* crisis).
- Strongly in favour of any initiative to harmonize (recognize equivalence of) food safety/animal health standards, interventions, test methods and inspection programs.

# FSIS Sampling of Pork Bellies - Portal, N.D., April 10, 2013

P-1

U.S. DEPARTMENT OF AGRICULTURE FOOD SAFETY AND INSPECTION SERVICE		TO (Name of Importer or Seller)	
<b>OFFICIAL RECEIPT FOR SAMPLES OF FOREIGN PRODUCTS COLLECTED FOR LABORATORY ANALYSIS</b>		MAPLE LEAF FOODS INC 6355 RICHMOND AVE E. BRANDON MANITOBA R7A 7M5	
COUNTRY OF ORIGIN	FOREIGN EST. NO.	FOREIGN HEALTH CERTIFICATE NO.	IMPORT EST. NO.
CANADA	0007	467487	7-00627
AMB LOT ID NO.	NAME OF PRODUCT	WEIGHT	LAB SAMPLES SUBMITTED TO (Name of Laboratory)
124150	BELLIES	41328	SORCIS
" "	" "	" "	ARSENIC
" "	" "	" "	M/RM
SIGNATURE OF INSPECTOR COLLECTING SAMPLE(S)			DATE
			4-10-13

PHIS

page 1

Apr 10 2013 15:36 HP Fax

Apr 22 2011 8:02PM HP LASERJET FAX

ALL PREVIOUS EDITIONS ARE OBSOLETE.

Designed in PostFlow Software

USDA-FSIS

# What ... and So What

- 41,328 lbs fresh pork bellies, CFIA inspected/certified, 5-6 days shelf life, from Brandon, MB (USDA-audited plant) to customer (USDA licensed) in California; value \$81,000.
- Arrive Portal at 12:00 noon, PHIS designates “full inspect”, samples taken at I House, sent to Eastern USDA lab, results expected in 4 days: species, arsenic, multi-residue method (results not shared, I House confirms “non detect”).
- Maple Leaf team decision: return load to Winnipeg for internal use after securing CBP Immediate Export Bond.

<b>Costs:</b>	lost product value	\$8,000	UPS brokerage/bond fees	\$50
	trucking charge	\$4,000	Labour/material for load/unload	\$1,000
	10 hrs driver charge	\$1,000	mgmt staff time	\$2,000
	I House fee	\$450	<b>Total</b>	<b>\$16,500</b>



# Alignment opportunity

- No food safety gain: CFIA Chemical Residue Monitoring Program (CRMP) already tests for ag chemicals, antibiotics/arsenic,  $\beta$ -agonists (e.g. ractopamine) – compliance exceptionally high in both countries.
- Border testing poor risk management tool: focus instead on farms/plants of origin; and test frozen product whenever possible to avoid “destructive testing”.
- CRMP and FSIS National Residue Program (NRP) highly congruent (chemical/vet drug hazards, sampling/test methods, MRLs) so why not a single Canada-U.S. program?
- Working Group on Meat Systems Equivalence: carve this out, map CRMP against NRP, reconcile MRLs, etc.
- Joint bi-national authority to design and implement program.

# Benefits

- Food safety inspection resources better aligned to risk.
- Better combined scientific effort to characterize and respond to emerging meat safety hazards (North American and offshore).
- Greater consumer confidence; less opportunity to “play food safety politics” through illusory border actions.
- Material cost savings and reduced uncertainty for U.S. and Canadian businesses.
- Cost savings to CFIA and USDA/FSIS.
- \$4.5 b in bilateral meat trade assured and North American supply chain better able to compete against lower cost competitors.