



*By Jennifer Fleming, Executive Director*

During the development of our National Border Closure Recovery Strategy, many producers raised the issue of restricting lamb imports into Canada. There is a prevailing feeling that this is a simple issue: stop the imports and solve the problem. In reality; this is a very complex issue governed by international trade regulations.

A protective tariff is sometimes applied to imported goods. This tariff is intended to artificially inflate the price of imported products and “protect” the domestic industries from foreign competition. As tempting a solution as this may be, it is not simple – or as feasible – as it may sound.

In order for a Protective tariff to be placed on lamb, the Canadian sheep industry would have to clearly demonstrate that imports are negatively affecting the price of our domestic product. In addition, the competition has to be such that imports alone affect the future viability of our industry. In Canada, while our domestic market is diverse, we have not fully explored our potential to supply a consistent product of fresh and/or frozen lamb at a

large enough volume to the retail level. Therefore we could not prove that off-shore lamb is in direct competition with our domestic lamb products.

The industry would also have the challenge of determining specifically how imports affect our domestic prices. This is complicated at this time by the BSE crisis. Downward pressure of pricing due strictly to the border closure could not be used as a reason for placing a tariff on imported lamb, because the imported product is not causing the problem directly. The border closure is the problem.

In addition, the time period in which a protectionist measure could be installed is prohibitive. Under the auspices of the *Export and Import Act* an Import Control List identifies products that fall into a restricted import category. The fundamental reason for an addition to this list is, if the importation of a product is causing or threatening injury to domestic producers of like, or directly competitive goods.

Canada also participates in international tariff agreements (e.g. Most Favored Treatment tariff) that restrain domestic special in-

terests from obtaining protectionist measures against other members in this trading group. In this case a protective tariff on off-shore lamb imports would be considered a breach of these trading agreements. Our involvement in these tariff agreements makes it that much more difficult to install control measures.

There is an appeal process, entitled the *Special Import Measures Act* (SIMA), however the process is not simple nor direct, and the outcome is questionable at best. It is used to help protect Canadian industry from injury caused by the dumping and subsidized imported goods. The Canadian Borders Services Agency (CBSA) and the *Canadian International Trade Tribunal* are jointly responsible for administering SIMA.

It is possible for an organization to launch a formal complaint. However, the process is prohibitive and the outcome is not certain. The CBSA would evaluate the complaints and launch a formal investigation to determine whether the goods imported into Canada are dumped or subsidized. If the CBSA determines that an investigation could be justified, an investigation

could be launched. After the investigation ensues a copy of the complaint it is sent to the Canadian International Trade Tribunal.

The *Canadian International Trade Tribunal* is an administrative body operating within Canada's trade remedies system. It is an independent quasi-judicial body that carries out its statutory responsibilities in an autonomous and impartial manner. The Tribunal is independent from the CBSA, and assumes the responsibility for the question of injury to the Canadian industry and conducts an inquiry into this question. The Tribunal surveys the industry and holds public hearings where interested parties are allowed to present their arguments.

The difficulty is that this whole process takes a very long time to complete. This is obviously not a fast remedy for correcting the currently depressed domestic price of Canadian lamb. As well, the burden of proof and the cost of the investigation would both fall on the shoulders of

*con.'t*

the Canadian sheep industry.

While fresh and frozen lamb imports have a strong foothold in our country at the retail level, it is questionable whether or not they are directly affecting the downward pressure

on domestic lamb prices. The reality is that we are still far from supplying our domestic demand for lamb. Our industry should certainly explore ways in which we can better access this market, for example, through the develop-

ment of value chains. At the same time acknowledging that the present depressed prices are not a direct result of offshore lamb. Rather the result of the US BSE border closure. The fact that this in turn is the result of out dated inter-

national animal health policies and incorrect interpretation of the science surrounding TSE diseases is little compensation for the damage that has been done to the Canadian Sheep industry.

## *Leading up to a Summit*

*By Randy Eros, Chair*

On October 7<sup>th</sup> and 8<sup>th</sup> Sheep Industry representatives from across the country will meet with Federal officials in Ottawa. We will be reviewing the current state of the Industry with a primary focus on our National Border Closure Recovery Strategy.

We have developed a document that we feel will lead the Industry through this difficult time and ultimately place producers, feedlot operators, packers, and retailers in a stronger position.

This package of initiatives addresses the cash needs of producers, the shortfalls in our processing facilities, the need for market development, support for changes to move from a US style lamb to a Canadian style lamb and the development and implementation of a comprehensive Scrapie program.

As a member of the Board of Directors of the Manitoba Sheep Association I had the opportunity to participate in a Manitoba Sheep and Lamb In-



dustry Summit this past weekend. We brought our provincial directors (producers) together with provincial staff and other industry players (both from within Manitoba and our neighbouring provinces) to talk about what we need to do in Manitoba for the Industry to survive and become stronger.

Though it was no surprise it was still interesting to see that we arrived at very similar solutions to those found in the National Strategy. We need more cash for our lambs. We are worried about the fall run of lambs driving prices down. We need

more kill facilities in order to meet market demand. We need stronger market promotion. We need a strategy to ensure US market access when the border does open.

Though we saw all of these issues from a provincial perspective it isn't hard to see why the National Recovery Strategy is crafted the way it is. Identifying the problems is not the real challenge in our industry today. The real challenge seems to be in getting the attention of those with the resources to help us address these challenges.

With the election of a new parliament and 3 Agriculture Ministers in the course of 9 months the CSF has had to spend a fair bit of time getting Federal politicians and their staffs up to speed on the sheep and lamb industry. It would appear that we now have their attention and I have great hopes that when we sit down with Agriculture Minister Mitchell for breakfast of October 8<sup>th</sup> we will have moved along way towards accessing some of those much needed resources.

It is important to remember that it is not just the Federal government that will be involved in providing these resources. The Provincial Governments have a large role to play as well. So if you're the kind of producer who likes to get on the phone, or email, or write you parliamentarians about industry issues; think both provincially and federally.

## COFFS Working Group Update: Audit Frequencies

By Ryan Van Loon, National On-Farm Food Safety Coordinator

The Canadian On-Farm Food Safety Working (COFFS) Working Group convened in Ottawa on September 9<sup>th</sup> and 10<sup>th</sup> to discuss national strategies on the development and implementation of national food safety programs. One of the important topics addressed was the audit process. An audit frequency task group has been diligently working on giving definition to this process. At a COFFS meeting prior to this, a proposal was presented to the COFFS WG that was deemed far too costly and prohibitive to producers. The former frequency for audits was determined under a three year cycle. In a best case scenario, where the producer remained in a low risk level, he or she would have had to undergo two full audits and one partial audit every three years.

For those producers who wish to pursue full certification, the new model presented is much more palatable as it runs on an 8 year cycle. There are three risk categories defined based on consumer risk and on farm

system risk. In the lowest risk category a producer would only require one full audit every 8 years. Furthermore, it used to be if a producer failed an audit, he/she would then be bumped into a higher risk category and require more frequent full audits as a result. Under the new system, a person can potentially fail part of their audit and still remain in the same risk category as long as a strategy of corrections is implemented. This means that the producer would remain in the same 8 year cycle with one full audit and either a self declaration, which would be a paper audit provided by the producer, or partial audit, which would entail a third party auditor reviewing a portion of a producers production system. Another major advantage to producers is that this new audit system endorses the concept of producer declarations, which will build in significant cost savings.

This is how the audit cycle looks:

**Risk Level 1** (highest risk level)

- 2 full audits and 6 partial audits

**Risk Level 2** (intermediate level)

- 1 full audit, 4 partial audits and 3 self-declared audits

**Risk Level 3** (lowest risk level)

- 1 full audit, 1 random partial audit and 6 self declared audits

This model is currently being adopted by Certifarm, the national body which will look after administrative and auditing duties for those National Producer Organizations who wish to use them. We have always fully supported this national body, as it is understood that one large body can build both time and cost efficiencies into the program, and will provide legitimacy to our program through the supply of CFIA recognized auditors. The CSF will be hosting a representative from Certifarm at our AGM to present their strategy and business plan for NPO and producer participation.

## Nominations needed for the National Agricultural Land Stewardship Award



The Countryside Canada award recognizes and promotes the exceptional stewardship efforts of farmers, ranchers and rural landowners across Canada. Information about the program is available at [www.whc.org](http://www.whc.org) and award nominations can be submitted easily online.

If you know someone who is making a significant contribution to land stewardship please submit his or her name for consideration. The award is available to both individuals and organizations. The **deadline** for Countryside Canada nominations is **October 29<sup>th</sup>, 2004**.

The success of our stewardship program depends on creating broad awareness throughout Canada's agriculture community.

## Canadian Livestock Identification: New Future Ahead

By *Monica Séguin, Executive Administrative Assistant*

Over the past year individuals from industry and government personnel have been working to form a national multi-species livestock identification body, to be officially known as the Canadian Livestock Identification Agency (CLIA). The CLIA's main priority will be to develop and manage a national electronic database for livestock identification in Canada. This Agency will help the livestock commodities reach the federal initiative to have "...a traceability program implemented for 80% of all agricultural food products by 2008."

The Canadian Sheep Federation is one of eight founding members of the soon to be incorporated CLIA. The other potential founding members are the Cana-

dian Cattle Identification Agency, the Canadian Pork Council, the Canadian Meat Council, the Canadian Bison Association, the Canadian National Goat Federation, the National Livestock Identification and Equine Canada.

The CLIA is currently investigating the appropriate method of tracing animal movement from the farm of origin to the slaughter plant. From the onset it seems quite simple, but in order to trace animals not only is the geographical location of where the animal was born important (e.g., barn, pasture etc) but so to is the movement of the animal during its lifetime (from birth to slaughter). For sheep producers, this can become even more complicated for individuals with several pastures or several flocks.

To address this issue, the CLIA decided that a unique identifier needed to be created along with the minimum criteria that all livestock sectors should collect and could adhere to, so that information can be easily shared and transferred electronically to the appropriate individuals.

The 'Premise ID' working committee chaired by Eric Aubin, the Chief of the Livestock Identification and Legislation Food of Animal Origin Division for the CFIA, has been working to determine this minimum criteria for traceability purposes that would incorporate all livestock. Although not yet approved, the committee has recommended that the premise ID be based on provincial land titles.

For each of these land parcels, it is suggested that the producer will need to provide updated information for the following parameters:

1. name and coordinates of contact person.
2. which other livestock species are present.

3. what is the premises type (e.g. farm, abattoir, rendering plant, assembly yard...).

A national premises number would then be provided for each land parcel for which information was provided. The premises number would be a 9-digit alphanumeric, including a two-letter prefix indicating the province where the premises is located. The CLIA hopes to collaborate with the CCIA on this initiative.

Although standard criteria will be collected from all livestock commodities, individual groups will be responsible for determining its needs within the context of requirements necessary in the case of a national emergency. Why is a national database important? As learned from the Flu outbreak among poultry populations from British Columbia, accessing a single livestock database would allow for a faster and more coordinated response to control the outbreak of an infectious disease.

