



The Right Honourable Stephen Harper, P.C., M.P.
Prime Minister of Canada
Parliament Buildings
Ottawa, Ontario

September 21, 2015

Dear Prime Minister:

I am writing to you in the context of the current election campaign and the 42nd Parliament that will follow thereafter.

Recording annual sales of \$23.6 billion, exports of \$5.7 billion, and 65,000 jobs, the meat industry is the largest component of this country's food processing sector. The industry provides a crucial market outlet for Canada's: 68,000 beef farms and feedlots; 10,000 farms with sheep and lambs; 7,000 hog farms; and, the cattle and calves from the nation's 12,000 dairy farms. Through livestock production, the industry constitutes also a major market outlet for Canadian grain farmers.

The meat industry functions in an international marketplace in which competitiveness in the domestic as well as foreign markets is a necessity, not an option. Each company is responsible for managing its operations efficiently. However, businesses can be successful only if the government policy framework within which they function offers a level playing field with foreign counterparts.

This letter requests your support in four policy domains within which government decisions are vitally important to the future sustainability of Canada's livestock and meat sector specifically, and of rural Canada generally.

Fiscal Environment:

An essential element of a sustainable meat industry is the ability to invest continuously in new technologies, equipment and products. These investments result not only in increased efficiency, innovation and value-added, but also in enhanced producer income, animal welfare, food safety, consumer satisfaction, and exports.

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In the context of an industry characterized by very narrow profit margins, the primary contributor to a positive fiscal environment is the cumulative value of taxes and fees transferred to government. In the meat industry, a reduction in taxes and fees results directly in increased investment, jobs and competitiveness.

The competitiveness and sustainability of the meat industry have been strengthened by the reduction in recent years of corporate taxes as well as the ten-year extension of the accelerated capital cost allowance. Farmers, processors, workers, consumers, exports and investment would benefit from the certainty of an announcement confirming that these measures will be permanent.

The industry requests that the direct relationship between financial transfers to government and these outcomes be taken into account when tax policies are being considered.

Regulatory Environment:

The meat industry is the most intensely regulated component of the food processing sector. Building design and construction, equipment, employee health, animal welfare, production processes, food safety, test protocols, packaging and transportation are regulated carefully and monitored constantly. Abattoirs cannot operate unless Canadian Food Inspection Agency veterinarians and inspectors are at their workstations.

The assurance of food safety is the highest priority of the meat industry. The presence of bacteria on meat is not visible. Therefore, food safety cannot be “inspected into” meat.

Food safety is best assured by effective processes and procedures (hazard analysis critical control point plans) that are approved and verified by Canadian Food Inspection Agency inspectors. To maximize food safety, millions of dollars are invested every year in equipment, plant sanitation, conveyances, packaging, laboratory testing, leading-edge technology, research and development. Prescriptive regulatory and inspection frameworks delay the implementation of improved food safety technologies and processes.

The meat industry requests that the Canadian food safety system generally, and the pending *Safe Food for Canadians Regulations* particularly, be founded upon outcome-based regulatory and inspection frameworks.

Access to International Markets:

The livestock and meat sector produces far more meat than is consumed by Canada’s 35.7 million citizens. Consequently, the sector is dependent upon access to export markets for half of the nation’s cattle production and two-thirds of its hog production.

The meat industry is a strong supporter of not only the international trade agreements that allow

access to foreign markets, but also of the equally critical technical support that is required to maintain the access. In both instances, the negotiations are conducted on an exclusively government-to-government basis.

In this context, the industry requests:

- Ratification of the Canada-Europe Comprehensive Economic and Trade Agreement (CETA);
- Conclusion, prior to entry into force of the CETA, of Canada-Europe negotiations on the equivalence of sanitary measures;
- Completion of the Trans-Pacific Partnership (TPP) negotiations in a manner that ensures Canadian access to TPP markets on terms equivalent to those of other member countries;
- Initiation of free trade agreement negotiations with China;
- Further progress in Beyond the Border (BTB) and Regulatory Cooperation Council (RCC) discussions with the United States; and
- Continuation of indispensable export market access and export promotion support provided to the livestock and meat sector by: the Canadian Food Inspection Agency; Agriculture and Agri-Food Canada; Foreign Affairs, Trade and Development Canada; and, Health Canada.

Access to Labour:

Consistent with an unequivocal “Canadians first” employment policy, the meat industry recruits aggressively, intensively and continuously across Canada from among the unemployed, new immigrants, refugees, aboriginals and youth.

The industry offers full-time employment and rates of pay that exceed both minimum wages and those offered by competitors in the United States. Workers receive substantive classroom and on-the-job training as well as good opportunities for pay progression and career advancement. Other benefits include medical, dental, vision, disability, life insurance, and pension plans.

Nevertheless, history and experience have demonstrated clearly that the demand for meat cutters and butchers exceeds, by far, the number of Canadians who are willing to work in these capacities. When there are insufficient workers, meat packers and processors must: curtail the production of value-added products; forfeit export opportunities; decrease investment; and, transfer jobs and economic benefits to other countries. Consequently, livestock producers sell fewer animals at lower prices to Canadian meat packers and become more dependent upon higher risk export sales to U.S. meat processors. Canadian farmers, meat processors, workers, consumers, municipalities, and the economy all lose as a result.

The meat and livestock sector requests that industrial butchers and meat cutters be designated as eligible for entry into Canada under the Express Entry program. Taking into account the 4:1

“multiplier effect” of each production line worker in a meat plant, a positive decision on this request would assist in reducing the ongoing hollowing out of rural communities across the country.

Thank you in advance for your consideration of these requests. We would welcome your perspectives on them and would be pleased to provide any additional elaboration or information that would be of assistance.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Joe Reda". The signature is fluid and cursive, with a large initial "J" and a long horizontal stroke at the end.

Joe Reda
President