Strengthened Oversight of Imports under the Proposed *Imported Food Sector Product Regulations*

Presented to: The Canadian Meat Council Technical Committee

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Purpose

To provide an update on the development of the regulatory proposal for imported food sector products including:

- key provisions
- importer licensing
- new authorities
- implementation
- engagement activities
Canada is the 6th largest importer of agricultural and agri-food products in the world

Imports are received from over 190 countries, many with differing levels of food safety controls, oversights and standards

“Risks are no longer confined within our borders, and the Agency must face the challenge and focus its resources where the risk is greatest and where there is the greatest net benefit to Canadians” CFIA website

Approximately 3000 non-federally registered sector import transactions take place per day with 20,000 to 30,000 Invoice Line Items = over $1 Billion dollars per month

Increase in low cost, opportunistic companies selling food

Increased food safety measures being put in place by our trading partners

Occurrence of allergies “skyrocketing”
Canadian Context

- There are a number of historical risks in the global community:
  - *Clostridium botulinum* in carrot juice (2006)
  - Melamine in infant formula (2008)
  - DEHP in sports drinks (2011)
  - Glass fragments in vodka beverages (2011)
  - *Salmonella* sp. in chocolate, peanut butter (2012)
  - Undeclared allergens in pinenuts and oatmeal (2012)

- Highlights the importance of identifying importers in the IFS

Percentage of Recalls* 2010-2011

- 61% Agrifood
- 21% Fish
- 12% Meat Hygiene
- 6% Imported and Manufactured Food Program

Total: 263 Primary Recalls, 473 Primary and Secondary Recalls

* Recall data include both recall incidents (primary recall) and recalls (secondary recalls). Reflects numbers published in the Red Tape Reduction Report.
Goals of Strengthened Controls

- Increased food safety due to food importers having a greater accountability for the safety of their products

- Increased traceability of products and ingredients
  - improve importers’ ability to quickly identify, respond to and advise the CFIA of potentially unsafe
  - will allow the CFIA to better identify unsafe foods and ingredients throughout a complex food chain

- Increased engagement of food product importers by the CFIA
  - licensing will provide a means for identifying and communicating with the importers in this sector
### Scope of the Regulatory Proposal

Examples of foods that would require the importer to hold a valid import licence to import into Canada under the proposed regulations.

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<thead>
<tr>
<th>Food Commodity</th>
<th>Act Coverage</th>
<th>Regulation Coverage</th>
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<tbody>
<tr>
<td>Meat</td>
<td>Meat Inspection Act</td>
<td>Meat Regulations</td>
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<td>Fish</td>
<td>Fish Inspection Act</td>
<td>Fish Regulations</td>
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<td>Dairy Products</td>
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<td>Dairy Products Regulation</td>
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<td>Eggs</td>
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<td>Egg Regulations</td>
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<td>Fresh Fruit and Vegetables</td>
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<td>Fresh Fruit and Vegetables Regulations</td>
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<td>Honey</td>
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<td>Honey Regulations</td>
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<td>Maple Products</td>
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<td>Maple Products Regulations</td>
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<td>Processed Egg</td>
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<td>Processed Egg Regulations</td>
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<td>Processed Products</td>
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<td>Processed Products Regulations</td>
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<tr>
<td>Grain Products</td>
<td>FDA &amp; CPLA</td>
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<td>Beverages</td>
<td>CAPA</td>
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<td>Confectionary/Chocolate</td>
<td>IFSP Regulations</td>
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<td>Biological Additives</td>
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<td>Spices, seasonings and dried herbs</td>
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<td>Vegetable fats and oils</td>
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<td>Infant formula, meal replacements</td>
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<td>Snack foods</td>
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<td>Bottled Water</td>
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<td>Synthetic Colours</td>
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<tr>
<td>Salts</td>
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Considerations for the Meat Sector

- Importers will require a licence under the proposed *Imported Food Sector Product Regulations* to import products and ingredients into Canada that meet the definition of an agricultural product, such as:
  - products that contain less than 2% meat
  - spices and seasonings
  - gelatins, some gravies and sauces
  - some colours and flavours
Regulatory Requirements

- The proposed *Imported Food Sector Product Regulations* will require importers to meet certain general and licensing requirements to import IFS products into Canada

**General Requirements**

- Notifying the CFIA within 24 hours of determining that a food safety hazard exists
- Developing, establishing and maintaining a written recall plan to aid in identifying and removing products of concern from the Canadian marketplace quickly and efficiently
- Maintaining records associated with: the imported products, the recall plan, the preventive food safety control plan
Regulatory Requirements

Licensing Requirements

- Completion of an application for an IFS licence
  - electronic web form available through the Licence Management System
  - applicants must declare on the application that the information they have provided is true and accurate and that they meet all of the requirements of the Imported Food Sector Product Regulations
  - Note: licence holders must have a Canadian address

- Licence holders must have, implement and maintain a written preventive food safety control plan (PFSCP) and demonstrate that they have taken the necessary measures to reduce food safety risks
  - scalable and outcome based approach that will provide importers with the flexibility that they need to design a PFSCP that fits within the context of their business activities and needs
Licence Management System

- The Licence Management System (LMS) will be a web-based service used by importers to obtain an IFS Licence

- This service will allow importers to:
  - apply for a new licence
  - renew an existing licence
  - amend licence information
  - view licence status
  - make a payment
Proposed Imported Food Sector Licence

- Under the proposed Regulations, an IFS licence number will be required with each shipment of goods
- Licence will apply to entities, not establishments
- No fee per shipment
- No limit on number of shipments
- Licence is valid for 2 years
- Proposed cost of $259 for 2013/14
Proposed New Authorities for the IFS

- Access records at a physical address in Canada
  - includes the PFSCP which must be made available upon request
- Suspension of an IFS licence
- Cancellation of an IFS licence
Proposed Implementation: Providing Flexibility to Industry

- The coming-into-force of the proposed regulations will begin with an Interim Compliance Promotion phase that will last for at least one year.
- Will allow large businesses time to develop new models and agreements.
- Will allow time for small and medium enterprises to:
  - become aware of their obligations and familiarize themselves with the appropriate legislation;
  - comply with the regulatory requirements; and
  - obtain a licence.
Objectives

1. To increase awareness of the proposed Regulations and the requirements, and communicate the Agency’s expectations

2. To work with regulated parties to better understand the range of business models, needs and the challenges industry faces to meet the regulatory requirements

3. To identify the right compliance tools and develop them in a manner that is most useful to a wide range of the regulated community
Projected Regulated Community

<table>
<thead>
<tr>
<th>Size of importer</th>
<th>Number of employees</th>
<th>Projected number of importers in the IFS</th>
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<tbody>
<tr>
<td>Micro</td>
<td>1-4</td>
<td>10 000</td>
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<tr>
<td>Small</td>
<td>5-99</td>
<td>14 050</td>
</tr>
<tr>
<td>Medium</td>
<td>100-499</td>
<td>850</td>
</tr>
<tr>
<td>Large</td>
<td>500+</td>
<td>100</td>
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Engagement Approach

- Consulting with importers to better understand their issues and needs, especially micro and small-sized importers

- Working with partners to identify opportunities to assist importers under this regulatory proposal to build capacity to develop and implement a PFSCP

- Strong service oriented approach through the use of an electronic client interface for licence applicants

- Significant reduction (from initial draft proposal) in the amount of licence application information required by licence applicants
Engagement Activities

- Targeted discussions have been, and continue to be held with industry, a working group has been formed with CBSA to ensure system interoperability and smooth implementation.

- Publication in *Canada Gazette* part I will launch a formal 75-day comment period.

- 17 city Agency overview of the regulatory clauses.

- Multi-lingual information materials in development recognizing the cultural diversity within the import sector.
Prior to Import:

**Importer Licensing**
Importers will be required to hold a valid import license to bring products into Canada.

**Preventive Controls**
To import food into Canada, licence holders must have, develop, implement and maintain a Preventive Food Safety Control Plan to manage risks in their operations.

**Product Tracking**
Working with CBSA, CFIA will have the capacity to better locate IFS commodities to analyze trends and target areas of high risk.

Border Activities

**Border Inspections**
Proactive inspections at Canadian ports of entry to determine if imported foods are compliant with Canadian requirements.

Activities in Canada

**Regulatory Inspections**
- **Risk-based** Inspections carried out based on profile of product (e.g. production methods, hazards, country of origin) and/or importer (compliance history, type of products imported), and intelligence.