

### **BC's Meat Inspection Regulation**

In 2004 the Province introduced the Meat Inspection Regulation (MIR) under the Food Safety Act. A transition period ended on 30 September 2007. The MIR requires all meat for sale for human food in BC to come from a licensed slaughter facility. Anyone who slaughters livestock for another person must have a license.

### **The Province's policy goals**

The policy goals of the MIR are increased consumer confidence, safe food, a viable processing infrastructure, and an outcomes-based approach. The **BC Food Processors Association** (BCFPA) supports the goal of protecting public health through food inspection and regulations that apply to processors of all sizes. BCFPA believes that third-party surveillance of slaughter and meat is desirable: to catch problems before they enter the food chain; to attend to animal health and welfare; to respond to public concerns about animal- and food-borne disease; and to increase market access for BC products. As an industry representative, the BCFPA is committed to sustainable meat processing businesses in BC.

The BCFPA has been asked by the Province to help facilitate processors' transition to compliance with the MIR, through management of two programs: the **Meat Industry Enhancement Strategy** (MIES) and the **Meat Transition Assistance Program** (MTAP). MIES' task is to assist facility operators to obtain licensing. MTAP's task is to provide funds<sup>1</sup> to assist operators with the cost of upgrades or new builds. From 2006-2008 the Province provided \$8.2M for MTAP, in two phases.

### **The BCFPA's program goals**

The BCFPA's goals through MIES and MTAP are to ensure reasonable access to licensed slaughter facilities for all BC regions; increased licensed livestock slaughter capacity for all species; and a basis for future expansion. We want to see

shorter, more traceable value chains; dollars circulating in rural communities; reduced fossil fuel use; and an effective slaughterhouse surveillance system.

### **Licences and inspection**

Slaughterhouses can process red meat or poultry. They can be fixed or mobile. They can be federally registered or provincially licensed Class A, B or C. Class A and B licences require inspectors to be present whenever animals are slaughtered. Class A facilities do slaughter and cut and wrap; Class B do slaughter only. Class C licences are temporary and transitional, intended to maintain slaughter capacity while operators pursue A or B status. Inspection is not required in C-licensed facilities but sale of the product is restricted.

Prior to 2004, most of BC did not have compulsory meat inspection. There were 13 federally registered and 11 provincially licensed slaughterhouses, and over 300 other facilities<sup>2</sup> providing slaughter services. As of 27 March 2009, there are 12 federally registered facilities, 35 Class A or B, and 36 Class C provincial (transitional) licences.

### **Industry's transition experience**

The transition has been challenging for slaughter facility operators for the following reasons:

1. Cost of upgrading or building facilities to the MIR standard
2. Related need to put the slaughter operation on a new business footing
3. Recession damage to ancillary markets (e.g. hides)
4. New waste handling requirements introduced in 2007 and their related costs
5. MIR triggering other compliance issues e.g. water, zoning, ALR use, environmental management
6. Local opposition to slaughter facilities
7. Competition from unlicensed, underground activity

<sup>1</sup> Dollar for dollar matching funds, to a cap

<sup>2</sup> A rough estimate: we assume ~1/3 of pre-2004 slaughter service providers contacted the BCFPA regarding licensing

**Costs:** can range from \$150 to \$350K for upgrade and from \$300K to \$3M for new build. These amounts are far higher, and have increased more rapidly, than originally anticipated in 2006. This means areas with low animal numbers cannot find a business case for a facility; and licensed facilities that must carry forward significant debt will struggle for financial viability.

**Waste:** new requirements for slaughter waste management were introduced in 2007. Less than 20% of beef slaughter waste is labelled “Specified Risk Material” (SRM) because it can contain prions, the proteins implicated in BSE. The Canadian Food Inspection Agency (CFIA) requires SRM to be removed from the waste stream and specially handled. Prions can only be destroyed through a very limited number of recognized procedures, or contained in CFIA-approved landfills. There very few affordable options for this in BC. What once was valuable by-product (rendering) is now disproportionate cost: Musa Ismail of Pitt Meadows Meats points out that where slaughter waste used to bring in \$85K/yr before 2003, now it costs \$250K/yr to dispose of. In addition, the Ministry of Environment, the Agricultural Land Commission and the federal government have requirements regarding slaughter waste that can make traditional methods such as on-farm composting or landfilling impossible.

**Community:** livestock production and meat processing in BC is a vital contributor to many rural community economies. The processor anchors the farm-to-plate value chain, serving 2-300 producer customers as well as butcher shops, stores and restaurants. BC’s provincially licensed slaughter facilities are small. A red meat facility might kill in a year the same number of beef as one huge federally registered facility kills in a day.<sup>3</sup> The size differential is as significant, or even more so, in poultry. Most provincially licensed facilities serve producers who hold small lot permits or personal exemptions, not quota<sup>4</sup>. Most quota holders are linked to federally registered processors in the Lower Mainland.

**Opposition:** The transition to licensing is more difficult for proponents with new builds. These projects have increasingly been subjected to NIMBY (“not in my backyard”) pressures from nearby residents who have picked up the bad press on industrial meat<sup>5</sup> and who are particularly concerned about

SRM. The pushback has been strong enough that certain regional districts have been reluctant to assist projects to move forward, or to facilitate waste solutions.

**Underground:** Some producers and former slaughter service providers remain strongly resistant to the MIR. Reasons may include disagreement with its rationale; unwillingness or inability to take the compliance steps and make the investment; concern about increased product cost; belief in their right to choose how their food is produced, regardless of public risk; or concern for the viability of local food systems, because many local slaughter services have disappeared. However, ongoing illegal slaughter weakens food safety and is unfair to operators who have invested in compliance.

### Current priorities

Of BC’s 35 provincially licensed facilities, 21 serve red meat and 12 serve poultry. Two are mobile: one red meat, one poultry. Proponents for additional fixed and mobile facilities are still working with MIES. Not all areas and species have access to slaughter services yet. It is hoped that livestock production will increase as producers gain confidence that appropriate, timely slaughter service will be accessible.

With our **Meat Processors Advisory Committee**, the BCFPA will continue to work with government to ensure that a fair and appropriate policy framework will support sustainable, high-quality slaughter facilities in BC. Priorities for the next six months include:

- Staying focused on the MIR’s purpose and goals
- Ensuring Health Authorities enforce the MIR to maintain the standard and support compliance
- Working with all relevant agencies to reduce costs and rapidly develop affordable, workable solutions for SRM and non-SRM waste
- Working with producers on value chain approaches and a BC meat quality marketing strategy

More information is available on our web site. The BCFPA will be happy to answer questions or arrange a briefing for your caucus, if you wish.



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<sup>3</sup> Canada’s industrial-scale beef business is dominated by two large companies: Cargill and XL

<sup>4</sup> Chickens and turkeys in BC are controlled through national quota systems administered by marketing boards under provincial marketing schemes

<sup>5</sup> Such as the popular book *Fast Food Nation* by Erik Schlosser