



*the alliance for healthy food & farming*

June 7<sup>th</sup>, 2013

## **Submission on Proposed Amendments to Ontario's Meat Regulations under the Food Safety and Quality Act, 2001**

### **Who We Are:**

This submission is on behalf of the Meat and Abattoirs Working Group of Sustain Ontario.

**Sustain Ontario** is a province-wide, cross-sectoral alliance that promotes healthy food and farming. We take a collaborative approach to research, policy development and action by addressing the intersecting issues related to healthy food and local sustainable agriculture. Sustain Ontario is working towards a food system that is healthy, ecological, equitable and financially viable. Sustain Ontario believes in the importance of a diverse food economy, one that includes small and medium scale enterprises and appropriately scaled regional processing facilities.

Sustain Ontario's **Meat and Abattoirs Working Group** formed in 2011 when a number of our members were concerned about the impact that regulations and other market forces were having on the meat processing sector. The working group is comprised of farmers, economic development officers, plant operators and other concerned consumer groups. The group envisions meat value chains that support regional livestock production in the diverse regions of Ontario; short transportation distances for live animals; custom kill and processing options for farmers marketing direct to customers; and the production and processing of diverse niche meat products including local\*, organic, pasture-raised, free-range, cage-free, halal and kosher.

### **Background and Context**

Small, locally owned, provincially-inspected, multi-species meat and poultry abattoirs are essential to the survival of Ontario's agricultural and rural economies. They provide a crucial link between livestock and poultry farmers and consumers looking for healthy, local and sustainably produced foods from farmers they know and trust.

Currently in Ontario, there are only 137 provincially-inspected meat processing plants, 75% red meat and 25% poultry, almost 50% fewer than 15 years ago. The sector has seen a parallel decrease in the number of livestock (25%) and poultry (73%) slaughtered in provincially-inspected abattoirs.

This decrease in provincially-inspected abattoirs and meat plants has been felt in some regions of the province more than others, often in areas where growing conditions are well-suited to pastured livestock production (i.e. Northern and Eastern Ontario). In some cases, there are no abattoirs available for poultry slaughter making it virtually impossible for farmers to raise poultry for sale in their region. Provincially-inspected plants are especially important for producers who require product separation (a guarantee that their

product has not been contaminated with another) or custom cuts (often demanded by chefs or consumers), as federally-inspected abattoirs are often unable to offer these services.

These problems are compounded by the fact that abattoir operators are aging, offering fewer custom services to farmers in some cases, capturing more value by moving away from slaughter and into meat processing, and creating exclusive contracts with larger farmers so that they are at capacity during the slaughter season. Plant operators identify a series of complex factors that contribute to a challenging business environment including, but not limited to:

1. Increasingly stringent food safety regulations and the costly infrastructure changes they demand;
2. Inconsistent inspection standards;
3. A lack of access to the business training and/or capital that operators require;
4. Difficulties in finding qualified help and/or developing sustainable succession plans;
5. Inconsistent or insufficient demand for slaughter services.

All of these challenges are harder to bear because of the low profit margins that characterize the meat processing sector, and the fact that operating costs continue to rise.

In addition, markets for “local” and “sustainable” meats are often small, and producers, as well as restaurants and butchers, must meet the high demand for specific cuts while finding markets for whole carcasses. This creates a host of challenges up and down the value chain. It is clear that small and medium-sized abattoirs provide indispensable services that are essential to the growth of sustainable local food systems, but they will not ever be able to capture the benefits associated with the massive throughput and contract production methods that large processing plants use to their advantage. So, to ensure their success and thus the health of our regional food systems, we must strive to address the barriers identified above to help these businesses maximize efficiencies wherever possible, which includes prioritizing scale-sensitive food safety regulation.

### **3. Concerns and Opportunities in the Proposed Changes**

The Meat and Abattoirs Working Group would like to applaud the Ontario Ministry of Agriculture and Food (OMAF) for revisiting Ontario’s meat regulations. There is wide agreement that many of the proposed technical changes maintain food safety while reducing the regulatory burden for small to medium-scale plants. The policy changes, on the other hand, lead to diverse opinions throughout the value chain. We have therefore summarized the concerns and opportunities outlined by various members of the group below.

<b>Proposed Change</b>	<b>Concerns</b>	<b>Opportunities</b>
<i>Distinguishing Food Products from Meat Products</i>	-Generally, there is a concern that the criteria distinguishing “food” and “meat”	This change will clarify OMAF’s role in meat

	<p>products is arbitrary and that process-based hazards remain relevant.</p> <p>-Food Service operators may sell products that are generally considered to be food but that contain more than 25% meat in weight.</p>	inspection and that of Public Health in Food Service.
<i>Small Distribution Volume Exemption</i>	<p>-Any amount of wholesale means that products are getting to a wider consumer base and thus these businesses should be licensed.</p> <p>-Processors have already had to invest in such substantial changes (to become FSMPs) and so this should continue to be the regulation.</p> <p>-Does not seem to be outcome-based evaluation (same product, with the same ingredients is being inspected according to two very different sets of rules).</p> <p>-Distinguishing safety based on market stream seems to be the problem, which means setting the bar at a different percentage would not solve the issue.</p> <p>-On one hand, operators find the exemption amounts too high (ie. 20,000 kg equals 1 steer per week or 5 hogs per week) while others feel the 20,000 limit might stifle business.</p> <p>-One concern is that, particularly in rural areas, this exemption might put food service and retail businesses in competition with local abattoirs, leaving abattoirs in an even more risky business environment.</p>	This distribution exemption has the potential to provide advantages to small processors in Ontario. It would allow restaurants and retailers to buy local meats and meat processors to supply small quantities to their local restaurants. This exemption will allow small processors to expand their customer base and to have a diversity of income streams, which facilitates financial stability.
<i>Food Service Exemption</i>	<p>-Drying and curing meats are innately very risky processes, and it doesn't make sense to allow restaurants to do these practices with so much less regulation.</p> <p>-This would give restaurants an unfair advantage over small processors (which have either already closed, are facing higher costs because of being OMAF licensed, or have changed their business models significantly to adapt to Reg.</p>	<p>- Many restaurants have business models in which they make their own products. This exemption will hopefully allow them to create more of those products, thus creating more demand for locally produced meat within the province. Additionally, it may allow them to find markets for less desirable</p>

	31/05).	cuts.
<i>Inspected Meat Products from Unlicensed or Unregistered Facility</i>	<p>-This may open up the possibility for black market activity in the supply chain.</p> <p>-Ensuring compliance would be difficult, and would entail a lot of extra paperwork.</p>	-Large processors will likely not take the risk. If it allows for greater flexibility in rural communities, it would be an asset.
<i>Animal Handling and Care</i>	<p>-Upright restraint equipment for ritual slaughter goes against Halal market demands that the animal be lying down while slaughtered. This regulation may negatively impact the Ontario-based Halal processing plants.</p> <p>-Added restraints during slaughter and an extra stun gun are the only technical changes that may increase the regulatory burden for processors.</p>	

### **Modifications to Consider**

If the Ministry goes forward with the proposed changes, the following is a list of some modifications they might investigate or consider adopting to mitigate the potential negative impacts of the policies.

#### *1) Distinguishing Food Products from Meat Products*

- a. Consider increasing the % of meat in a 'food product' slightly to accommodate more diversity of products.
- b. Consider using a business-wide definition based on overall product or % of meat and non-meat products handled.
- c. Consider a focus on preparation methods of meats/foods rather than % of meat vs. non-meat.
- d. Consider working with Public Health Inspectors to strengthen their capacity to monitor food safety hazards in meat processing.

#### *2) Small Distribution Volume Exemption*

- a. Consider a cap on maximum sales numbers and/or weights to qualify for the exemption in order to insure that larger retailers are not unfairly advantaged by the system.
- b. Consider lowering the weight amount, as 20,000 kg is well above the capacity of most small to medium scale retail businesses.

- c. Consider clarifying the seasonal aspect of the exemption, i.e. is it 20,000 kg over the whole year or is there a monthly allotment?
- d. Ensure that recordkeeping for the sector is not made more onerous by these changes.
- e. Consider working with Public Health Inspectors to strengthen their knowledge and capacity to monitor food safety hazards in meat processing.

### *3) Food Service Exemption*

- a. Consider setting a maximum processing volume for restaurants to ensure that the main business is food service and not meat processing.
- b. Consider compensating food businesses who have invested in a license or allow them to keep the license.
- c. Consider working with Public Health Inspectors to strengthen their knowledge and capacity to monitor food safety hazards in meat processing.

### **Other Proposed Changes**

The policy and technical changes proposed by OMAF have the potential to positively impact the regulatory environment for small processors, but there are a number of other policies and programs that will be needed to strengthen meat value chains across Ontario.

### **Training:**

If the proposed changes are implemented, one of the major concerns surrounds the capacity of both public health inspectors and food industry staff to monitor and help to prevent health hazards particular to meat cutting and processing. It is also widely recognized that there is a lack of trained professionals with sophisticated meat cutting skills in the industry. While investing in colleges and training facilities is a step forward, operators often have little capacity to offer professional development outside of the plant. We might alleviate some of these issues by:

- Further supporting sophisticated meat cutting food safety certification within culinary programs;
- Supporting in-plant training opportunities and apprenticeships;
- Working with public health to build their inspection capacity with respect to meat cutting food safety.

### **Support Rural Processors:**

More rural regions in the province are particularly impacted by the decline in abattoirs and meat plants. It is important that any regulatory changes ensure that the fragile meat value chains in more rural areas are encouraged to grow and change to meet food safety requirements, without negatively impacting their businesses. The government of Ontario may wish to consider:

- Further exploring the possibility of special licenses for rural and remote areas;
- Further exploring the feasibility of more flexible and low cost models such as modular units (i.e. small-scale buildings, potentially mobile) and community-owned abattoirs, and supporting pilots within the current food safety regulations;
- Further supporting inspectors to work with operators in constructive, flexible and outcome-oriented ways.

### **Support Value Chain Planning:**

Understanding that the success of agricultural economies and meat processing businesses are interdependent, working to ensure this success should include the entire value chain. Meat plant operators and farmers require planning tools and sometimes mediators to ensure that the value chain is reaching its full potential by extending the processing window and planning for market demand. The government of Ontario might support this by:

- Further supporting abattoir and free standing meat plant operators to plan for infrastructure upgrades related to food safety;
- Further offering flexible grants and loans with fewer financial requirements (i.e. must be for “expansion” or require 50% matching funds);
- Explore the feasibility of supporting value-chain planning via online tools;
- Work directly with regional and municipal economic development departments who have a stake in supporting the value chains in their regions;
- Further develop markets for Ontario-produced and processed meats by investing in Foodland Meats and other local branding initiatives.

### **Monitoring Impact:**

It is important with any regulatory changes to continue to monitor the state of the sector. If food safety regulations are becoming more stringent, is this having the desired outcome on the rate of food-borne illnesses? Government grants and loans may also have desirable impacts on the resilience of rural economies, but the impacts of these investments needs to be monitored across the value chain and not just at the individual business level.

The Sustain Ontario Meat and Abattoirs Working Group would like to thank OMAF for the opportunity to comment on the proposed regulations. We believe that the continued existence of quality meat processing infrastructure is essential to building resilient local food systems within Ontario.

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