

# Regulatory Burden

## Background

Governments have always taken a keen interest in the nation's agriculture and agri-food industries, and as such, have always sought to regulate and direct its purposes and activities. After all, the extent to which a nation is capable of feeding itself is a matter of vital national interest and national security. Regulation also serves to achieve goals such as ensuring food safety, advancing public health, and protecting the nation's natural resources and physical environment. As a result, the policy nexus between agriculture and government is very close. Beef, in particular, is a highly regulated industry. While regulation is necessary, certain aspect of the present regulatory regime are placing the beef industry at a competitive disadvantage to both our US and international competitors.

## Guiding Principle

ACFA supports a regulatory regime where necessary protections for food safety, public health, the environment, and standards of animal care are balanced with the equally important goal of ensuring a profitable, competitive, and sustainable beef industry. ACFA believes that all federal, provincial, and municipal government regulations will only be truly effective to the extent that they reflect the practical and business realities of cattle feeding.

## Position

First, ACFA supports a process where government regulations are not only informed, but also determined, by the best available research, science, and evidence. ACFA opposes all regulatory initiatives that are driven solely by prevailing public perceptions or government sentiment.

Second, the process employed to approve legislation and determine industry regulations must be transparent, and it must effectively capture and incorporate the views, perspectives, and opinions of industry through mechanisms that allow for real consultation and government-industry deliberation. It is only in this way that regulations affecting the beef industry can accommodate the economic and business realities of cattle feeders, and recognize and respect the day-to-day operational issues of the sector.

Third, the regulatory regime under which cattle feeders operate must pay due consideration to issues such as profitability and competitiveness. ACFA believes that the regulatory regime should not serve as an impediment to profitability or future growth and expansion of the industry.

Fourth, ACFA believes that regulations should, wherever possible, be based on securing specific outcomes as opposed to prescribing specific actions or activities. Since regulations are designed to achieve a specific outcome, flexibility in regulatory decision-making and a focus on specific objectives creates opportunities for unleashing the creative potential of industry to develop, adopt, and implement innovative and efficient solutions to regulatory issues.

Fifth, all regulations should ensure they have sufficient capacity to keep pace with ongoing technological innovations and maintain relevance as industry continues to grow and develop. This requires that the relationship and interface between government and industry be maintained.

Sixth, ACFA believes that government must ensure the consistent enforcement and application of all regulations. Inconsistencies in inspection and enforcement creates a difficult business environment that ripples across the beef value chain, resulting in confusion for cow-calf operators, transporters, auction marts, order buyers and receivers, and cattle feeders. Consistent inspection and enforcement is key to ensuring better rates of regulatory compliance.

Finally, ACFA supports efforts that seek to maintain an effective regulatory regime but does so through consideration of lower cost alternatives, a reduced regulatory burden, and elimination of regulatory duplication. ACFA supports initiatives that will simplify the regulatory regime, including efforts to align, harmonize, and even borrow from other jurisdictions.

To this end, ACFA supports the *Regulatory Cooperation Council (RCC)* that was established in 2011 to better align Canadian and US regulations, and pursue harmonization wherever possible, practical, and feasible. This will help reduce duplication, lower regulatory costs, ease the flow of goods across the border, increase the pace of commerce, and reduce industry transaction costs. The top RCC priorities for cattle feeders are those with potential to create operational efficiencies and result in practical benefit:

- Harmonization of the Canada-US regulatory approval system for veterinary drugs;
- Canada-US agreement on a protocol for zoning in the event of a foreign animal disease outbreak;
- Electronic-certification of exports of live cattle to reduce cost and save time; and
- Simultaneous approval of veterinary drugs and pharmaceuticals.

## Actions

- ACFA will financially support the Regulatory Reform Initiative of the *National Cattle Feeders' Association (NCFA)* which will identify the most problematic and costly regulations facing cattle feeders, measure their economic cost, build the business case for reform, and implement a strategy to secure the necessary regulatory changes.
- ACFA will continue to advocate for the objectives of the RCC, monitor the progress being made, and report back to the Board and ACFA membership. ACFA will actively encourage all governments to pursue opportunities to develop and introduce necessary changes that will enhance cost effectiveness and increase the speed of commerce.
- ACFA will ensure that the opinions and perspectives of cattle feeders are injected into the regulatory process by participating in governmental consultations and regulatory proposals by submitting thoughtful, and carefully researched commentary that advances the interest of the cattle feeding sector and established ACFA as an industry leader on regulatory issues and concerns.
- Through NCFA, Alberta cattle feeders will continue to plug into the comprehensive regulatory modernization initiative of the Canadian Food Inspection Agency (CFIA) by providing valuable commentary on a suite of regulatory files including transportation, feed ingredient authorization, and mandatory traceability. ACFA will also continue to reach out to the CFIA and build a positive working relationship through regular contact and feedlot tour days.

## Key Messages

- *ACFA supports a regulatory regime where necessary protections for food safety, public health, the environment, and standards of animal care are balanced with the equally important goal of ensuring a profitable, competitive, and sustainable beef industry.*
- *ACFA supports a process where government regulations are not only informed, but also determined, by the best available research, science, and evidence.*
- *ACFA believes that flexibility in regulatory decision-making and a focus on specific objectives creates opportunities for unleashing the creative potential of industry to develop, adopt, and implement innovative and efficient solutions.*

Approved by the Board on: November 19, 2015

Subject to Review by: November 19, 2017