

**IMPACT OF THE MEAT INSPECTION REGULATION  
ON SLAUGHTER CAPACITY  
IN THE NORTH OKANAGAN REGIONAL DISTRICT (RDNO)**

**Final Report**

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# IMPACT OF THE MEAT INSPECTION REGULATION IN THE NORTH OKANAGAN REGIONAL DISTRICT

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## 1.0 INTRODUCTION

This assessment was sponsored by the North Okanagan Food Action Coalition, with funding contributed by North Okanagan Regional District (RDNO) and Community Futures. Because of the urgency of the issue, the time period for this assessment was very short, from November 15 to December 21, 2007.

### 1.1 Objectives

The focus of this assessment was:

- To evaluate slaughter capacity within the Regional District of North Okanagan pre- and post-implementation of the provincial Meat Inspection Regulation (MIR) on September 30, 2007;
- To evaluate the impact of MIR on local producers;
- To provide recommendations on how to best address the region's slaughter needs in the immediate, medium and long term.

### 1.2 Methodology

Emphasis was put on gathering information from livestock producers and processors, rather than consumers, although many consumers attended meetings and submitted emails.

Information was gathered through questionnaires to meat producers and meat processors, one on one interviews, and attendance at producer association meetings. Questionnaires were posted on line on the front page of the Regional District's web site, were advertised in the local newspapers and were available at City of Vernon, Village of Lumby and RDNO offices. Two information meetings for producers were held in Vernon on November 14 and 15, attended by 93 and 65 people respectively. At the North Okanagan Livestock Association's meeting on December 11 in Vernon (attended by 35 people), 21 producers answered key questions via a show of hands. All respondents were offered anonymity and names have been omitted in compiling questionnaire results. Comments from producers and processors are presented in italics at the end of each section of the report.

Plant custom slaughter capacity information came directly from the processors through interviews or questionnaires. Data for the mobile chicken unit was provided by producers who had reviewed the operator's business information. Two custom red meat plant operators in Kelowna did not respond: their processing capacity is not included, although some producers from this region used those plants. The capacity numbers for the region are therefore conservative.

Approximately 300 copies of the livestock producer survey were distributed; 97 responses were received. This represents a solid 32% response rate, particularly in light of the very short 3 week return period. Producers of all major species of livestock in all areas of RDNO were represented. Responses also came from Kelowna and the Salmon Arm/Shuswap area from producers who used common processors. According to Statistics Canada's 2006 Census of Agriculture, there were 1227 farms reporting in RDNO. The responses represent an 8% sample of that population.

The general consistency of the questionnaire responses to key questions and the independent corroboration of decreased slaughter capacity lend further credibility to the questionnaire data that was collected.

### 1.3 History

Producers and other groups such as the Food Systems Network communicated concerns about the impact of MIR on local livestock production to the provincial government before it was enacted and during the transition period from 2004 to 2007. The expectation was that the transition period would allow for adequate licensed processing to be in place by the time the regulation came into effect. MIR was cited as a barrier to local food production by producers during workshops hosted in the North Okanagan by the Food Action Coalition in early 2007. In April, 2007 a field representative of the BC Food Processors Association (BCFPA) was invited to attend a meeting with producers and the local Electoral Area Director in Lumby.

An Ad Hoc Committee of RDNO's Regional Services Committee with representation from producers, processors and local government officials was established to address the ongoing concerns being raised by producers. In June, RDNO hosted another information session with government representatives and regulators. In September, RDNO supported a resolution to UBCM expressing concern about MIR, which was too late to be included for discussion. However, local government officials met with the Minister of Agriculture and Lands, and were advised there were adequate processing facilities in place to service the region.

In September, Interior Health Authority held a public meeting in Vernon to review the regulation and explain enforcement. It was attended by over 100 people. No concrete evidence as to why the regulation was needed for farm direct sales was provided, there was no data confirming instances of food borne illness related to local meat production, and there continued to be confusion among government officials on implementation requirements, such as the requirements for mobile operators. Throughout fall of 2007, producers of all species in the region continued to report a shortage of slaughter capacity for animals needing to be butchered, waiting times and the closure of local slaughter establishments.

In many conversations, provincial government officials underlined the need to provide data to support the assertion that RDNO was an underserved area as far as slaughter capacity was concerned. This assessment confirms that fact and outlines the impact MIR has had on local livestock producers.

The estimates and information reported in this assessment are based on interviews, and material from questionnaires and on-line sources collected in late 2007, and represents the best information available at the time of writing, which may be subject to change.

## 2.0 EXECUTIVE SUMMARY

The outcome of the Meat Inspection Regulation in this region has been to reduce custom slaughter capacity and make RDNO an underserved area for both poultry and red meat custom slaughter.

### 2.1 Meat Inspection Regulation

In September 2004, the Province of B.C. enacted a new Meat Inspection Regulation (MIR) under the Food Safety Act. Only meat from livestock slaughtered in a provincially or federally licensed facility can be sold for human consumption, and all animals slaughtered in licensed abattoirs must be inspected both before and after slaughter. Farmers slaughtering for their own personal use are exempt. The Act came into full effect on September 30, 2007. A transitional Class C license was announced in October 2007 which enabled meat processors in the process of upgrading to continue operating temporarily. Meat processed under Class C licenses cannot be resold.

### 2.2 Defining CUSTOM Slaughter Capacity

Slaughter capacity is affected by the availability of custom kill, the species processors handle, the time of year capacity is available (slaughter needs peak in the fall), the flexibility to change dates if animals are not finished, and distance from the producer's farm. The small scale, local producer needs custom slaughter capacity: the ability to have a potentially small number of livestock of a variety of species slaughtered and have his own animal returned to him.

### 2.3 Small Scale Livestock Production

Small lots and small scale production are a large proportion of farming in RDNO. Supply managed dairy and broiler chicken production are the exception. According to Statistics Canada's 2006 Census of Agriculture, 23% of farms in RDNO were less than 4 hectares, and another 56% were between 4 and 52 hectares in size. In terms of gross receipts, 70% of 1227 farms reporting earned less than \$24,999, and 54% of farms reporting earned less than \$2500 in gross receipts. The average cattle herd in BC is 50 head, and an average sheep flock in BC is 30-40 ewes. A more detailed agricultural overview is included in the appendices.

### 2.4 Small Lot Specialty Poultry Slaughter Capacity

- There is no custom poultry processing facility left to serve the region.
- Five custom poultry processing facilities that processed 55,000 to 70,000 chickens and over 5,000 turkeys for close to 800 producers have closed, including a mobile that operated as far north as Salmon Arm and as far south as Oliver. Most had been operational for 10 years or more, and one for as long as 22 years.
- Three provincially licensed poultry facilities, Colonial Farms, Farmcrest Foods and Van Diemen Turkey Farm, do not process small lot custom poultry.
- The Class C licenses granted or in progress will not provide enough capacity to accommodate poultry production levels before MIR was implemented.
- The economic value of the specialty chicken production was over \$520,000 per annum.
- Chicken producers need to order chicks by early 2008. With no licensed processor in place, chicken producers cannot place their orders with hatcheries.

### 2.5 Custom Red Meat Slaughter Capacity

- Before MIR came into effect, there were 8 custom slaughter businesses servicing RDNO. Six were fixed plants that also provided cut and wrap services. Two provided on farm slaughter, including one mobile.
- Four of the custom abattoirs have closed. Lost custom processing is conservatively estimated at over 1850 beef; 2775 pigs; 3000 lambs; and 3000 rabbits.
- The economic value of the beef, lamb and pig production represented by the lost capacity is conservatively estimated at \$4,635,250.
- After September 30, 2007 only one provincially licensed plant that processed custom beef and lamb was operational.
- Three Class C licenses were granted in the area. Only one, a mobile, has resumed operation. One fixed plant began the licensing process in October 2006 but is not operational. The other small-scale lamb processor has not even begun construction.

- The Class C licenses, including an expected increase in capacity once the fixed plant's upgrades are completed, do not replace the custom slaughter capacity that was lost due to abattoir closures, nor add net new capacity in the major species. Meat slaughtered under Class C licenses cannot be resold.
- Abattoirs listed by provincial officials as serving the area either are not operational at present, do not provide custom slaughter, are already booked in peak periods themselves or are significant distances away.
- Because several of the custom slaughter facilities that closed also were custom cut and wrap operations, producers are reporting difficulty getting cut and wrap services.

## 2.6 Impact on Producers

Producer questionnaires confirmed the lack of slaughter capacity. Impacts include higher slaughter costs; lower profit margins; lost revenues; loss of farm status; and reduced livestock production.

- Questionnaires had a strong 32% response rate: 97 producers with an average of 22 years of experience raising livestock and serving over 2, 669 customers returned surveys.
- 90% of respondents said they experienced a lack of slaughter capacity after MIR came into effect, compared to only 26% before MIR.
- Almost half (49%) slaughtered before or after their animals were in prime condition.
- 17 producers had animals they were unable to slaughter. Two destroyed livestock: one over 500 animals.
- 58% said they had reduced the number of animals they raise and another 19% were uncertain.
- 77% attributed the reduction directly to the implementation MIR.
- 42% expected to lose farm status and another 20% were unsure.
- Reduced production resulted in average lost revenues from livestock sales of \$9,000. The 26 producers reporting lost combined livestock sales revenue of over \$236,000.
- Producers report increased slaughter costs, and additional waste disposal and transportation costs, which significantly erode profit margins on livestock sales.
- Beef slaughter costs were \$90-100 on farm before MIR and have jumped to \$250-300 dollars after MIR for animals processed at licensed slaughter facilities, in part because of waste disposal costs.
- Producers preferred on farm slaughter and did not want to transport animals more than 65 km on average
- A significant minority of producers, 39%, said they *would not* transport their livestock for slaughter because the stress on the animal impacts meat quality and leads to livestock losses, especially for poultry.

## 2.7 Issues

- 1) There is a shortage of custom slaughter capacity in RDNO relative to pre-MIR livestock production levels.
- 2) No custom poultry processing remains.
- 3) Producers want on farm slaughter and local inspection for farm gate and local meat sales at a reasonable cost to satisfy strong consumer demand.
- 4) Licensing is an extremely complicated process involving up to 8 major government agencies (BC Centre for Disease Control, CFIA, BC Food Processors Association, Ministries of Agriculture and Lands, Environment and Health) with extensive, still evolving regulatory requirements. Processors cannot get definitive direction on significant issues such as waste disposal requirements.
- 5) The farm to farm mobility of mobile slaughter units has been compromised by the requirement for limited, pre-approved, docking stations which are deemed to be "inspected areas." Producers will be required to transport their animals to central docking stations for slaughter, which for quality and cost reasons, many will not do.
- 6) Upgrade costs for fixed plants range from \$150,000-\$300,000. For small business, sole proprietorships this is a significant investment to meet regulatory requirements that do not offer productivity or revenue gains.
- 7) New plant construction estimates range from \$500,000 to \$1,500,000.
- 8) Provincial government funding assistance programs have been fully allocated.
- 9) Meat inspection regulations in other provinces including Saskatchewan and Nova Scotia have local inspection either by Health, Agriculture or local veterinarians, or allow on farm slaughter and farm gate sale of meat that is not provincially inspected.
- 10) These issues are occurring in concert with price increases in other production inputs, including feed costs, cost of chicks from hatcheries, and transportation costs.
- 11) In the absence of a quick resolution, red meat producers will continue reducing production, and custom poultry production will be non-existent in 2008.

### 3.0 BACKGROUND INFORMATION

(Summarized from Selling and buying BC Meat- What you need to know: A guide to BC's Meat Inspection Regulatory System BC Food Processors Association)

#### 3.1 Meat Inspection Regulations

In September 2004, the Province of B.C. enacted a new Meat Inspection Regulation (MIR) under the Food Safety Act. The regulation stipulates that only meat from livestock slaughtered in a provincially or federally licensed facility can be sold for human consumption, and that all animals slaughtered in licensed abattoirs must be inspected both before and after slaughter. A 2 year transition period was planned for, with the Act coming into full effect on September 30, 2007.

Before the new regulation was enacted there were federally, provincially and unlicensed abattoirs operating in the Province. Meat produced at *federally* licensed facilities (licensed and inspected by the Canadian Food Inspection Agency (CFIA)) could be sold within B.C. as well as across provincial and national borders. Meat produced at *provincially* licensed facilities (licensed by the BC Centre for Disease Control (BCCDC) which contracted inspection to the CFIA) could be sold anywhere within B.C., but not outside the Province. Meat from unlicensed facilities could be sold within the Province, but only in areas that were not "Meat Inspection Areas."

#### 3.2 Meat Inspection Area

Abattoirs in Meat Inspection Areas had the choice of being licensed or being approved and inspected by local health inspectors of the Regional Health Authority. In 1995, City of Vernon Council passed a resolution designating the City as a Meat Inspection Area. Prior to that, By Law 1104 passed in 1952 required that all meat offered for sale for human food in the City had to have been inspected. There were, however, no abattoirs operating within the City limits immediately before MIR was passed.

#### 3.3 Class C License

After the regulation came into effect, a transitional Class C license was announced in October 2007 which enabled meat processors in the process of upgrading their facilities to continue operating. To qualify the slaughter establishment must have been operating outside of a designated Meat Inspection Area before September 30, 2007, and must have submitted plans and received approval for construction of a new slaughter establishment or upgrading of existing facilities. Meats sold under this license must be marked as "not government-inspected" and cannot be resold. Transitional licenses are valid for six months, with renewal subject to continued progress towards a fully approved and licensed operation.

#### 3.4 Meat Industry Enhancement Strategy

The **BC Meat Industry Enhancement Strategy (MIES)** was formed in 2004 with the goal to enhance licensed meat processing capacity in British Columbia. It was a 2-year initiative developed by the Ministry of Agriculture and Lands (MAL) in conjunction with the BC Food Processors' Association (BCFPA) and the meat industry. According to the BCFPA, "***its mandate is to enhance BC's slaughter and meat processing capacity.***"

Food Protection Services of the BC Centre for Disease Control administers the *Meat Inspection Regulation* of the *BC Food Safety Act*. Food Protection Services has contracted inspection services to provincially licensed "domestic" meat plants to the Canadian Food Inspection Agency (CFIA).

***"The new provincial Meat Inspection Regulation is intended to be outcome based. This means that an abattoir must meet certain standards that aim to ensure the production of safe meat. However, it is recognized that there may be a number of ways to achieve those standards."*** BCFPA Guidebook

#### 4.0 EVALUATING SLAUGHTER CAPACITY

It is impossible to accurately measure slaughter capacity by relying on a list of abattoirs. The small scale, local producer needs custom slaughter capacity: the ability to have a potentially small number of livestock of a variety of species slaughtered and have his own animal returned to him. Slaughter capacity must be evaluated based on the availability of custom kill, species, the time of year capacity is available (slaughter needs peak in the fall), flexibility to change dates, distance from the producer, and specialized slaughter requirements.

- Custom Kill: Commercial scale abattoirs often will not do custom kill. Custom abattoirs generally process smaller numbers of animals. A custom operation may process 1000 beef or 20,000 chickens per year compared to 50,000 beef or 250,000 chickens at a commercial abattoir. Scale affects the processor's ability to absorb additional regulatory costs.
- Species: Slaughter capacity for each species of animal needs to be evaluated because abattoirs often specialize in a limited number of species. Poultry and red meat for example, require different processing equipment.
- Specialized Slaughter: Few abattoirs can meet specialized slaughter needs, for example for certified organic, or kosher or Halal slaughter. Consumers who want animals slaughtered under such circumstances often prefer to buy direct from the producer.
- Seasonality: Slaughter needs peak in the fall. Many producers pasture animals over the summer and have them slaughtered in the fall because the cost of feeding animals over the winter is prohibitive. Reproductive cycles are such that many lambs, steers, goats and pigs are born in the spring and are ready for slaughter in the fall. Game meat slaughter requirements peak in the fall. A red meat plant may have "excess" capacity in July, but producers have fewer animals ready to be slaughtered then.
- Transportation: The small scale producer is particularly concerned about the welfare of his animals, and the humane life and death of those animals. Abattoirs need to be within reasonable transport distance, as perceived by producers. Some producers refuse to transport their animals at all. They may not have the equipment to do so. They may not wish to inflict the stress of transport on their animals, thereby affecting the quality of their product or generating livestock losses. Transportation increases production costs.
- Flexibility: Small scale livestock production may be staggered over a longer period of time because breeding was sporadic or animals did not finish as quickly as expected. The producer needs flexibility to amend his slaughter times.
- Choice: Finally, choice is important to the small producer because in his eyes it affects the quality of his product. A producer may refuse to use an abattoir, even a provincially or federally licensed one, for reasons of personal preference or perceived quality issues.
- Location: Plants serving RDNO were not necessarily located within the Regional District boundaries; therefore there is an inter-regional dimension to slaughter capacity.



## 5.0 CUSTOM POULTRY SLAUGHTER CAPACITY SERVING RDNO

### 5.1 Key Findings

- There is no licensed custom poultry processing capacity left to serve the RDNO region.
- All processors (four fixed plants and one mobile) closed effective September 30, 2007.
- Specialty poultry processing for an estimated 55-70,000 chickens and 5,000 turkeys produced by almost 800 producers has been eliminated.
- The economic value of this production is conservatively estimated at \$520,000 annually.
- The processors employed 8 people. Three had been in business over 10 years, and one for over 20 years.
- Small lot specialty chicken producers need to place orders for chicks with the hatcheries by early 2008. Without licensed processing in place, there will likely be no production for sale in 2008.

### 5.2 Custom Poultry Processing Capacity Prior to MIR

Before MIR, there were 5 poultry processors providing specialty slaughter services to almost 800 chicken producers in the area. Four were fixed plants. One was a mobile operator that serviced producers as far south as Oliver and north to Salmon Arm. Most were sole proprietors that had built up their businesses over a number of years. Three had been operational 10 years or more, and one for as long as 22 years. They did the work themselves, sometimes with the help of a family member or one or two employees and kept overhead costs low. Plants operated for approximately 150 days during summer and fall with short periods at Thanksgiving and Christmas for turkeys. The mobile operator stopped processing in 2006, and the rig has been for sale since then. All of the fixed plant operators closed as of September 30, 2007.

**Table 1: Custom Poultry Processing Capacity**

	Location	Chickens	Turkeys	Minumum Order	Pricing	Clients	Employees	Years in Operation
Processor 1	Vernon	20,000	5,000	1	Variable: \$1.75-\$2.50 Bag your own	300	2-3	11
Processor 2	Lavington	3,000-5,000	0	1	\$1.50 5 lb \$2.00 8 lb Bag your own	50	self	10
Processor 3	Falkland	12,000-15,000		1	\$1.45 < 5 lb \$1.65 5-7 lb \$1.85 7-8 lb \$2.35 >8 lb	12	1	22
Processor 4 *	Salmon Arm	n/a	n/a	1	\$2.50	200 (est.)	1	n/a
Processor 5	Mobile	20,000-30,000		1	\$2.75 <200 \$2.60 >200 Bagged	200	2	3-4
Total		55,000-70,000	5,000			762		

\* Declined to provide information

### 5.3 Processing Capacity After MIR

#### 5.3.1. Post MIR Applications for Licensed Custom Poultry Processing

Upgrade costs to meet licensing requirements combined with a short operating season of 150 days for poultry processing make the business case for licensing marginal. One of the local fixed plant operators applied for and began the provincial licensing process, but is not proceeding. Upgrade costs of \$200,000-\$250,000, shifting licensing requirements, discomfort with the current inspection system, and concerns that current

upgrades are a precursor for unknown ongoing annual expenditures were mentioned as reasons for closing the business.

A former producer considered purchasing the mobile unit and applied for licensing but withdrew the application. Costs to meet potable water requirements, a marginal business case, and a reduced client base in the wake of the implementation of MIR. A group based in Kelowna is now evaluating the business case for purchasing the mobile. A second mobile operator that serviced Kamloops and north had plans approved for a new mobile and received a Class C license. As of this writing, that mobile was not built, and may not proceed. The operator is expecting to charge producers for travel time, which may make the processing cost prohibitive to producers. If both mobiles proceed, the combined processing capacity would not be enough to process the chicken production before the implementation of MIR.

Currently, mobile units can only stop at docking stations. Each docking station must meet prescribed requirements and be pre-approved by BCCDC and pre-inspected by CFIA inspectors, which limits farm to farm mobility. Waste disposal issues also remain to be clarified.

### 5.3.1 Provincially Licensed Plants

None of the three provincially licensed poultry processing plants do custom slaughter. Farmcrest Foods (Salmon Arm) and Colonial Farms (Armstrong) process only chickens grown under marketing board quotas. Neither plant will process custom chickens from non quota growers. Farmcrest Foods processes 250,000 chickens annually. According to BCCMB, quota growers were not affected by the implementation of MIR, and continue to have access to adequate poultry processing capacity. Van Diemen Turkey Farm (Keremeos), listed by Provincial officials as serving this area, does not do custom slaughter.

### 5.4 Economic Value of Custom Chicken Production

Based on information collected from the processors, there were over 55,000-70,000 chickens and 5,000 turkeys processed annually in 2006 and 2007 for over 762 producers. Approximately 10,000 chickens from the Kelowna area were processed by the mobile operator in 2006. When that mobile closed, some brought their chickens to one of the fixed plants in RDNO and others stopped producing. Production from some smaller processors and on farm slaughter is not included in the total numbers as it could not be quantified accurately. Information gleaned from interviews and from hatcheries that supply chicks to the area also suggests the total number of custom meat chickens raised in the region was 70,000 birds or more.

These were specialty chickens raised by a few larger, and a myriad of small, producers who raised some chickens for themselves and sold the rest at farm gate to local consumers. Statistics Canada's 2006 Census of Agriculture data lists 246 chicken farms reporting in RDNO in 2006 producing 1,108,689 chickens. Interviews suggest approximately 30 were quota growers, leaving 216 other producers. Assuming 70,000 chickens produced, each producer would raise an average of about 325 birds. However, questionnaire results confirm that a few producers were raising as many as 600 to 1200 birds in several batches. The number of producers served by processors includes producers outside the RDNO boundaries.

The sale of chickens was an integral part of the revenues generated by many farms. Producers had been selling free range "natural" or organic chicken for as long as 15 years to a well-established and growing local client base. At 5-8 lbs, the custom chickens were significantly larger than the 1.929 kg (4 lb) birds produced by BC Chicken Marketing Board quota growers. Consumer demand was strong and growing steadily, allowing the chickens to be sold for \$13.00 to \$18.00 each at farm gate. Producers had a flourishing business, with loyal repeat customers, and waiting lists of more clients referred to them.

Based on a conservative scenario that 2/3 of 60,000 processed chickens were offered for sale at \$13.00, the estimated economic value to the local economy was \$520,000 annually from this production. Much of that money would have been spent locally on feed, fuel, fertilizer, machinery, slaughtering costs, and other production inputs.

➤ *We improved our shop every year. We were told it wouldn't be that hard to get licensed. When the quotes got to over \$170,000, we gave up.* Former Processor

- *I've decided to withdraw my application (to license the mobile poultry unit). Two reasons: First, I cannot meet regulation requirements to set up a docking station on my own property using my own water...Secondly, even though the province is willing to put up a percentage of the initial capital costs, as a business proposition it makes little sense. 1/3 of \$70,000 (gross revenues) is little return for 150 days work. Add to that the cost of modifications and the risk of a reduced pool of seasonal producers who will simply quit producing at least in the short term until the regulations shake out and until they know what the raised cost of processing and sales potential will be, the idea of buying the trailer and making the business profitable is too risky. Producer*
- *I was told we have to bag the chickens. That means I have to hire another person. Our customers always bagged their own birds. The inspector talked to the supervisor, and then it was ok to have customers bag the chickens. Processor*
- *I heard about licensing about 2 1/2 years ago. When I heard about the situation with inspection, I had some misgivings. I was getting different stories. I got mixed signals and decided it's not going to work. Processor*
- *I would be happy to continue, but not in these circumstances. Now I am looking for a job. Processor*

## 6.0 CUSTOM RED MEAT SLAUGHTER CAPACITY SERVING RDNO

### 6.1 Key Findings

- The number of custom processors has dropped from 8 to 4, including Class C licenses.
- Of 3 Class C licenses issued; only one processor is actually operating.
- Custom beef capacity, which is the mainstay of the red meat business, has dropped by 1,850 animals from close to 5,000 beef.
- Lamb has dropped by 3200 animals.
- Custom pork slaughter capacity has declined by 2,775 animals. The remaining local pig processor is not operational at present, and will not have enough pork capacity to replace what was lost. The nearest processor in Kamloops is booked at peak periods.
- Capacity for rabbits has dropped by 3,000 animals.
- There is no licensed certified organic bison processing or Halal slaughter for lamb to compensate for the on farm kill that was previously allowed.

### 6.2 Custom Red Meat Processing Capacity Before MIR

Prior to September 30, 2007, there were 8 custom slaughter businesses servicing RDNO. Almost 5,000 beef, 5,000 lamb, 3,000 pigs, 5,000 rabbits as well as deer, ostrich and wild boar were processed annually. (Data for two fixed plants in Kelowna is not included as it was not available.) Six were fixed plants that also provided cut and wrap services and two provided on farm slaughter, including one mobile. All were located within 60 km of Vernon. In addition, a federally licensed commercial plant in Westwold processed 35-50 buffalo daily, largely for export.

### 6.3 Custom Red Meat Processing Capacity After MIR

Immediately after September 30, only one custom slaughter facility of the above was still operating, processing only beef and lamb. This caused a critical shortage for producers who had not booked in advance or had other species of livestock to slaughter. Three Class C licenses were then issued in the region, two to fixed plants and one to a mobile. The mobile unit was the only Class C processor that continued to operate. One fixed plant was not operational through fall of 2007 and does not expect to resume processing until upgrades and licensing are complete, hopefully by end January 2008. A new fixed plant in Kelowna will eventually process 50-60 custom lambs annually but construction has not started.

The Class C licenses locally have not replaced the custom slaughter capacity that was lost due to abattoir closures, nor have they added net new capacity in the major species to replace on farm slaughter.

Custom beef capacity, which is the mainstay of the red meat business, has dropped by 1,850 animals. Lamb has dropped by 3000 animals. Custom pork slaughter capacity has declined by 2,775 animals. The remaining local pig processor is not operational at present, and will not have enough pork capacity to replace what was

lost. The nearest processor in Kamloops is booked at peak periods. Capacity for rabbits has dropped by 3,000 animals. There is no licensed certified organic bison processing or Halal slaughter for lamb to compensate for the on farm kill that was previously allowed.

One producer spent 18 years establishing a 2000 head flock of African sheep, participated in disease and pest resistance research with several Canadian universities, and had established a niche market of selling high quality Halal slaughtered lamb and beef. No processing currently exists to address this niche that was previously served by on farm slaughter.

In addition, because several of the custom slaughter facilities that closed also were custom cut and wrap operations, producers report having difficulty getting cut and wrap services.

The federally licensed plant does not do custom bison. It has reportedly recently begun to process some beef, but has a minimum of 20 animals, and no regularly scheduled slaughter day. The plant does not do traditional cut and wrap, instead vacuum packs quartered carcasses, making this abattoir more challenging for local farmers to use than a true custom facility.

The local, provincially licensed plant which processes custom beef and lamb has stated it has capacity available for small numbers of animals in prime periods, and made efforts to accommodate producers who called after MIR was implemented. Long time customers of this plant are used to booking a year in advance. Producers, however, report that prime months are booked, that there is no date flexibility, and that the higher costs are prohibitive. In September 2007 the earliest date available was January 2008; in December 2007 the plant was booking for April 2008.

**Table 2: RDNO Custom Red Meat Processing Capacity Before MIR (per annum)**

	Beef	Bison	Lamb	Pigs/ Hogs	Rabbit	Emu/ Ostrich	Wild Boar	Deer	Status	Custom/ Min. #	Km from Vernon
Processor 1 Enderby	875		600- 700	1200	4000	200			<b>Closed: Cut/Wrap</b>	Yes/1	36
Processor 2 Salmon Arm	800		550	1300- 1600					<b>Closed</b>	Yes/1	58
Processor 3 Salmon Arm	2000		1500						Provincial, Cert. Org.	Yes/1	58
Processor 4 Enderby	75	5	100	75	1000	15	100	100	Class C <b>Not operating</b>	Yes/1	36
Processor 5/ On Farm	1000	45	2350	300					<b>Disallowed</b>	Yes/1	0
<b>Total Pre MIR</b>	<b>4750</b>	<b>45</b>	<b>5100- 5200</b>	<b>2875- 3175</b>	<b>5000</b>	<b>215</b>	<b>100</b>	<b>100</b>			
Post MIR Prior to Class C	2000		1500								
Class C	900	45	450	300	2000	45	300	300		Yes	
<b>Post MIR</b>	<b>2900</b>	<b>45</b>	<b>2000</b>	<b>300</b>	<b>2000</b>	<b>45</b>	<b>300</b>	<b>300</b>			
<b>GAP: Lost Capacity*</b>	<b>-1850</b>	<b>0</b>	<b>-3100 -3200</b>	<b>-2575- -2875</b>	<b>-3000</b>	<b>-155</b>	<b>+200</b>	<b>+200</b>			

\* Lost capacity is underestimated because production capacity for two custom plants in Kelowna was not available.

### 6.3.1 Producer Questionnaire Response

Producer questionnaire responses confirm that lack of slaughter capacity became a significant issue for most producers only after MIR was implemented: 90% of respondents said they experienced a lack of slaughter capacity after the regulation came into effect compared to only 26% who said they experienced a lack of slaughter capacity before September 30. Almost half of respondents, 49%, reported they were forced to slaughter before or after their animals were in prime condition.

### 6.3.2 Post MIR Provincially Licensed Facilities “Serving the Thompson Okanagan”

Provincial officials have suggested there are 11 licensed and Class C red meat facilities “serving the Thompson/Okanagan.” In fact, there are 3 serving RDNO, a provincially licensed plant, the Class C mobile, and a fixed plant that is not operating at present. Of the remainder, 2 either do not do custom kill or are not operating at present; one does very limited custom only in beef on an unscheduled basis; and 6 are over 100 km away, offering little or no local capacity to RDNO producers compared to the easily accessible local, custom capacity that was previously available, and had grown in proportion to the needs of producers. The two closest in the Kamloops area reportedly are already busy with local clientele.

**Table 3: Other Provincially Licensed Facilities**

	<b>Capacity</b>	<b>Custom</b>	<b>Km from Vernon</b>
Inland Packers Salmon Arm	750 swine per day	<b>No custom</b>	68
Medallion Meats Westwold	35-50 bison per day	<b>No custom bison Beef 20 minimum ad hoc Federal license for export</b>	62
Rainer Custom Cutting Darfield	300 beef;560 sheep;480 hogs per year	Custom	<b>150</b>
Kam Lake View Meats Kamloops	1000 cattle; sheep; hogs	Custom	<b>117</b>
Ceres Circle Farm Kelowna	50-60 lambs	Custom Class C <b>Not operational</b>	47
Johnston’s Meats Oliver		Custom	<b>155</b>
Tarzwell Creston			<b>416</b>
Nicola Valley Meats Merritt			<b>176</b>

### 6.4 Economic Value of Production

A conservative estimate of the livestock production value of the lost slaughter capacity can be found by using average freezer pricing and weights for each species. This is a conservative estimate as it does not factor in higher prices for better cuts of meat sold separately in retail operations rather than as an entire carcass.

**Table 4: Estimated Production Value of Lost Red Meat Processing Capacity**

<b>Species</b>	<b>Average Meat Production per Carcass (lbs)</b>	<b>Freezer Price per Pound</b>	<b>Lost Capacity</b>	<b>Estimate Value</b>
Beef	550	\$2.50	1850	\$2,543,750
Lamb	55	\$4.00	3200	\$ 704,000
Pigs	250	\$2.00	2775	\$1,387,500
<b>Total</b>				<b>\$4,635,250</b>

- *This date of September 30 was a terrible date to pick. People would not have bought animals to raise through the summer.* Processor
- *It is evident to me that the numbers of abattoirs they are saying there is is somehow very wrong. Where these numbers come from is a mystery.* Chicken Producer
- *I've had people in tears on the phone, begging me for slaughter times, especially for pigs, because the window of getting butchered is tighter than for beef and lamb.* Processor
- *I have desperate people. I have 75-100 more customers and growing as places have shut down.* Processor
- *This past year we booked 8 months to a year in advance. We couldn't get in. Before that, it took 3-4 months notice to slaughter.* Sheep Producer
- *The capacity for lamb was already poor, but is even worse since the regulation.* Mixed Producer
- *I contacted a facility that in the past processed animals I sold live to customers and found that they can no longer custom kill and process. The licensed facility in Kamloops has waiting time of 5 months.* Beef, Pig & Poultry Producer
- *We had two slaughter companies that we have used successfully and with satisfaction over the past 5 years. The two companies closed their doors September 30<sup>th</sup>.* Beef & Chicken Producer
- *There are no abattoirs other than Riverside. It is hard to get appointments due to volume, and only sheep and cattle can be processed there.* Mixed Producer
- *I had an appointment booked with the mobile. I didn't do it. There was no cut/wrap available. They were so booked they were not willing to take it.* Bison Producer
- *We tried to slaughter 50 lambs and some beef in August because we had demand from Vancouver, but there was no capacity in the slaughterhouse.* Sheep Producer

## 7.0 IMPACT ON LIVESTOCK PRODUCERS

The small producer is bearing the brunt of the impact of reduced slaughter capacity. Economic impacts include loss of farm status, reduced revenues and profit margins in the face of higher slaughter costs, and reduced production.

### 7.1 Key Findings

- The 97 livestock producers surveyed included beef, sheep and lamb, pig, poultry, rabbit and game producers throughout the region.
- They served over 2,669 customers.
- On average, those who responded had 22 years of experience producing livestock. Only 9 of 66 who responded to this question had 5 years or less experience raising livestock.
- 90% of respondents said they experienced a lack of slaughter capacity after MIR came into effect, compared to only 26% before MIR.
- Almost half (49%) slaughtered animals when they were not in prime condition.
- Two producers reported they had to destroy animals because they were unable to slaughter them for sale. In one case this represents over 500 animals.
- 17 producers had animals they were unable to slaughter, including beef, pigs, bison and lamb.
- 58% said they had reduced the number of animals they raise and another 19% were uncertain.
- 77% attributed the reduction directly to MIR rather than to other factors.
- Reduced production resulted in average lost revenues from livestock sales of \$9,000. The 26 producers reporting lost combined livestock sales revenue of over \$236,000.
- Loss of farm status was an impact for 42% of respondents, with another 20% unsure.
- A majority of producers, 61%, said they *would* be willing to transport their animals for slaughter, but a significant minority, 39%, said they *would not*.
- Producers did not want to transport animals more than 65 km on average, and preferred abattoirs to be located in the communities nearest their farms.

## 7.2 Economic Impacts

### 7.2.1 Loss of Farm Status

23 producers (40% of respondents) expected to lose farm status and another 11 producers (20%) were not sure. Poultry producers were particularly vulnerable. Two commented they were being audited by BC Assessment Authority. A review of BC Assessment's policies vis à vis small farms was announced on December 17.

- *We will lose our farm status unless we find an alternative to poultry production. We will have to develop a new customer base and incur start up costs associated with any new business. The farm equipment we have for poultry production will be worthless.* Chicken Producer
- *We are unable to get farm status on the property we purchased because of the regulations. Our taxes will increase substantially along with water costs, etc. We produced chickens and pork and have a ready market for any we could produce.* Mixed Producer
- *We will lose farm status. We don't have an alternative. We are in the ALR but don't have much flat or productive land and are not irrigated, so are limited as to what we can grow.* Poultry Producer

### 7.2.2 Reduced Revenues

26 producers reported lost revenue from livestock sales totaling \$236,240. The average loss was \$9000. Six indicated lost revenue of less than \$2500, 10 indicated lost revenue between \$2500 and \$10,000, and 10 between \$10,001 and \$24,999. Mixed livestock producers generally had higher lost revenues in total.

Just over half, 52%, of respondents expected their revenue from livestock sales to decrease compared to the previous year. Of those, 51% expected their revenue from livestock sales to drop to zero. Another 21% of respondents were uncertain what percentage of their farm income would come from livestock sales. Only 4% of respondents expected revenues from livestock sales to increase.

- *In the larger scheme of the Provinces' finances, it's a drop in the bucket. When you take it out of the small farmer's pocket, it hurts.* Former Processor/Producer

### 7.2.3 Increased Slaughter Costs

Higher slaughter and waste disposal costs are eroding producers' profit margins. For producers used to on farm slaughter, the increased cost of transporting animals and having them slaughtered at a licensed abattoir is a significant jump, because abattoir slaughter prices are higher and waste is otherwise disposed of on the farm. For example, the cost to slaughter a head of beef jumps from \$90-100 on farm to \$250-300 at an abattoir, partly because of waste disposal costs.

Red meat processors who are licensing estimate that slaughter costs may double or more. The majority of producers indicated they could not pass such an increase to the consumer, although some indicated the ability to cover 10-30%, and a few 50% of a cost increase.

- *Abattoirs can charge anything they want. It used to be \$40, then \$50, now it's \$83. When you make \$100-125 per lamb, that's not much profit.* Sheep Producer
- *Yes (we found alternatives) and we chose not to slaughter because the price to process was too high. It took out our profit.* Beef Producer
- *We increased the price to the consumer from \$3.50/lb to \$5.00/lb to reflect higher slaughter costs. We're not fooling around. It has to cover itself.* Sheep Producer
- *My slaughter costs have increased by about \$250 per animal because we can't do it ourselves.* Bison Producer

### 7.2.4 Lower Livestock Auction Prices

Some producers reported lower prices for their livestock at auctions because dealers and butchers who used to purchase animals are no longer doing so. Valley Auction reported at the NOLA meeting that livestock prices generally are depressed across Canada and in the U.S.

- *We phoned the auction in Langley and prices have come down. They advised us not to bring animals right now. We sent a truckload of lambs to the auction. We got \$30- to \$40 for those sheep, and paid an auction fee, and transport, which is coming down to \$15 to \$20 a sheep. In Vancouver, the client gets a very good sheep for \$150 already cut up. So, how do I keep on feeding livestock without any income?* Sheep Producer

### 7.3 Impact on Production

#### 7.3.1 Reduced Production

58% of respondents said they had reduced the number of animals they raise, and 77% attributed the reduction directly to MIR. Of the 23% that cited other factors, a number were beef producers, whose industry has faced a series of shocks from BSE, U.S. border closures, the high Canadian dollar, and rising fuel and feed prices as grain production for food is diverted for use in ethanol production.

Some producers have abandoned plans to expand livestock herds and production. Several organic chicken producers were considering applying for BCCMB permits or quota, and three sheep producers who had planned to expand their herd, have reduced it instead. One sheep producer is culling a 2000 ewe flock down to 200 ewes.

- *Chicken farmers are finished. Half my hog customers are not doing hogs next year because of the uncertainty.* Cut/Wrap Operator
- *I could lose about 25 of my 50 customers.* Cut/Wrap Operator
- *Where do potential growers get the experience with flock management? Raising 100 chickens is not like raising 5,000.* Former Processor
- *The decreased revenues will increase every year due to the opportunity cost—a herd producing \$30,000 in meat sales was the goal.* Sheep Producer
- *What is going on in BC with the regulatory changes is effectively eliminating the small scale grower from the system. What the regulatory changes are doing, when I think of them to some depth from a processing business development point of view, is making the risks as well as the preliminary and ongoing costs too great.* Former Producer
- *Two years ago when we heard about the upcoming meat regulation we decided to stop the breeding of bison. If we can't slaughter them on the farm, we don't want to do it. Sooner or later, if nothing changes, we are out of bison.* Bison Producer
- *We reduced our flock size. If by fall of 2008 it hasn't settled out, we will get out of lambs as well.* Sheep Producer
- *I have been a sheep producer for many years. I had 110 ewes in Langley and maintained 58 ewes in Kelowna since 1999. I sold all my lambs locally and could have sold more if I had had them. In fall of 2005 I sold off all my sheep as there was no way I could operate under the draconian and ridiculous new meat regulations introduced by our Provincial government. There are no qualifying slaughter houses in our area and it is not economical to transport the lambs to the Fraser Valley.* Former Sheep Producer
- *I'm just really getting tired. The whole thing is difficult. Raising sheep in this province has always been difficult: lack of provincial acknowledgement, resources, support. This is just one more thing.* Sheep Producer
- *All these small people with 2, 5, 20 acres in the ALR buy calves to put on grass. If they can't slaughter them, why would they buy?* Beef Producer

#### 7.3.2 Animals Destroyed

Two producers reported they had to destroy animals because they were unable to slaughter them for sale, but in one case, this represents over 500 hundred animals. Seventeen producers had animals they were unable to slaughter including beef, bison, pigs and lambs.

#### 7.3.3 Willingness to Resume or Increase Production

The clear majority, 96%, stated they would resume production if conditions became more favorable again, and 66% said they would increase production. Of those that said they would not increase production, barriers listed were: land use at capacity, "old age," rising feed costs, rising slaughter and cut and wrap costs, and an inability to hire farm help.



#### 7.3.4 Preference for On Farm Slaughter

Producers expressed a clear preference for on farm slaughter. 68% did on farm slaughter, either themselves or using a mobile, compared to 33% that used a fixed plant. Of the 59% that indicated they would consider alternatives to their current slaughter method, 57% preferred to use a mobile.

#### 7.3.5 Willingness to Transport Livestock

A majority of producers, 61%, said they would be willing to transport their animals for slaughter, but a significant minority, 39%, said they would not. The average maximum preferred distance was 64 km for beef, 50 km for lamb, 57 km for pigs, 32 km for chicken and 50 km for turkeys. If one outlier of 500 km is removed from the beef number, the maximum distance drops to 31 km. Even those that are willing to transport their livestock do not want to do so over long distances. As a result, when asked about their preferred location for a plant, respondents invariably picked the community closest to them.

- *I phoned 60 of my customers, and about 60% said they would quit producing if they had to transport their animals to a slaughter facility.* Cut/Wrap Operator

#### 7.3.6 Need for Custom and Certified Organic Processing

All respondents confirmed that they needed custom slaughter. Seven producers indicated they needed certified organic processing for bison, lamb, chicken or beef.

- *To sell certified organic chicken, we need a certified organic processor. Without that we just have higher costs for a plain chicken. Without the processor, we don't have a product.* Mixed Producer

#### 7.3.7 4-H

Across the Province, 4-H members raise livestock for market projects as a way of learning about agriculture and animal husbandry. In B.C. in 2007, there were 618 beef, 324 lambs, 236 swine and 14 chevon (goats) raised by 4-H members. For every market animal, there are many families that raise an extra 2 or 3 animals to sell. In July at the Okanagan Stock Show, 50-75 4-H beef from throughout the Valley are auctioned live. Thanks to community support the animals fetch premium prices. Having slaughter capacity available is key to the success of the auction. Last summer, the processor kept and fed the 4-H beef for two weeks until capacity became available. Already this year, the organizers have met to discuss whether an auction is even possible in 2008.

- *Overall I have deep concerns about the new regulations and the upcoming 4-H year, as I am worried about declining 4-H enrolment with the meat regulations just one more hurdle that 4-H has to jump over to keep young people involved in agriculture as the future farmers of tomorrow.* 4-H Executive Director

## 8.0 OTHER ISSUES

### 8.1 Consumer Demand & Food Security

Producers reported they could sell all they produce and more. Consumer demand for farm gate meats and local foods has been growing steadily. EatLocal! campaigns and the 100 Mile Diet have raised consumer awareness of and appreciation for the value of locally grown foods. Consumers with health issues seek out antibiotic and hormone free locally grown meats. Producers benefit by being able to keep profits from livestock for themselves, and by more stable livestock prices. However, there is a limit to what the consumer will pay over and above prices for comparable products available through grocery store chains.

Many consumers expressed concern at meetings and in emails at their loss of choice, requesting their input also be captured. Consumer comments can be found among the over 7,000 online petition signatures collected at [www.okshuswapgreens.ca/meatpetition1.htm](http://www.okshuswapgreens.ca/meatpetition1.htm).

- *Demand outstrips supply. Consumers want low stress, low numbers, no antibiotics, free range, humanely treated animals.* Many Producers

- *So how can we the consumers make our voices heard too? The surveys seem to be just for producers and processors. I'm neither but I'm spitting mad at this Orwellian approach that impacts my right to choose.* Consumer
- *The impact of tighter food supply is already evident in raw food prices, which have risen 22% in the past year.*
- *Mr. Coxe (Global Portfolio Strategist at BMO Financial Group) said in an interview that this surge would begin to show in the prices of consumer foods in the next six months. Consumers already paid 6.5% more for food in the past year. Wheat prices alone have risen 92% in the past year, and yesterday closed at US\$9.45 a bushel on the Chicago Board of Trade. Financial Post January 4, 2008*
- *My customers don't mind paying a little extra for good beef, but there is a limit.* Beef Producer

## 8.2 Food Safety & Quality

Officials have not demonstrated that locally produced meats pose a public health risk, and have confirmed that no data is available on the instances of food borne illness attributable to local farm gate meat sales. Producers and consumers testify to the high quality of locally produced meats. The locally produced animal can go from producer to on farm mobile slaughter, to the cut and wrap operator, back to the same producer and to the consumer. The production chain is shorter, and the individuals involved know each other. Livestock tagging programs already in place for sheep and beef, with hogs and goat programs being developed, support traceability.

By increasing the number of animals being processed, mixing animals from different farms and increasing the number of people handling the meat, centralized processing can increase the risk of contamination. Because more people consume the meat, a greater number can be affected if there is a problem. Recalls involve tonnes of meat, not pounds.

The Provincial Medical Health Officer makes the same point in his 2005 Annual Report: "*Buying locally produced food also makes it easier for consumers to trace exactly where their food comes from and how it is produced, improving confidence in the safety of the food system.*" p.25

- *Although the Canadian Food Inspection Agency routinely tests hamburger meat and issues recalls when E.coli are found, there is no guarantee that all hamburger meat is bacteria free.* Provincial Medical Health Officer's Annual Report 2005 p. 68
- *How safe is safe enough?* Processor
- *What problem are they trying to fix?* Consumer
- *The government would like you to think this is a big problem. To my knowledge we never had a problem with farm gate slaughter or animals taken to local abattoirs.* Former livestock investigator
- *When you go into selling carcasses to high class butcher stores, they feel inspected is not clean enough.* Sheep Producer
- *We prefer to do our beef on farm slaughter. Mike [mobile processor] is as clean as you'll ever find anywhere. We're very picky. You want to sell a good product. You don't want to make anyone sick.* Beef Producer
- *We do our own slaughtering for quality control.* Sheep Producer
- *We never lost a liver in 25 years of raising hogs. It says something about the small producer.* Pig Producer
- *Everything is traceable in the sheep industry.* Sheep Producer
- *This job is based on trust. If you get a bad name, you're finished.* Processor
- *We have used a mobile unit and transported to Vernon. Both facilities worked quickly and produced clean birds. I never received a complaint from a customer in 15 years of production.* Chicken Producer
- *We will trade all of our freedoms for safety and when it is all said and done, we will have neither one nor the other.* Producer

## 8.3 Non Compliance

Producers who have been producing, slaughtering and selling livestock for 10, 20 and more years are suddenly unable to do so. Those who are unaware of the regulation will inadvertently fail to comply. Others feel they have no alternative.

- *My customers are begging me to continue as before anyway.* Chicken Producer

- *This new regulation will make us non law-abiding citizens. Producer*
- *You are making criminals out of honest people. Producer*
- *I for one will not abide by these regulations. I feel they should be challenged in court. Beef & Poultry Producer*
- *People will do imaginative things. They are willing to purchase the animals live, and pay for their own processing, so we don't actually own the animal. But it's inconvenient, and we still need the processor to have capacity. Sheep Producer*
- *There's a lot of people that will do it black market. I'm going to try to make it work the legal way. I'm going to see if people are that interested in local food to pay the extra costs. My slaughter costs have tripled. Beef Producer*

#### 8.4 Contradictory Provincial Government Policies

Producers pointed out that the implementation of MIR contradicts other provincial government policies such as climate change initiatives, efforts to reduce fuel consumption and vehicle emissions, promotion of green and sustainable communities, and buy local campaigns.

### 9.0 BARRIERS TO CREATING SUFFICIENT CAPACITY

#### 9.1 Regulatory Requirements for Mobile Slaughter/ Docking Stations

Mobile slaughter satisfies the needs of producers who want on farm slaughter, while offering the capacity of an experienced slaughterer and inspected meat. However, under the current regulations, the mobile is no longer truly mobile: farmers have to transport their animals to a docking station for slaughter, which changes the nature of the mobile business, reduces the benefits to producers and potentially erodes its client base.

Any location where mobile slaughter is performed is deemed to be an “inspection area.” Each inspection area or “docking station” must apply to the BCCDC, and must be inspected and pre-approved by a CFIA inspector. Many details are being regulated and require approvals, from materials to individual corral design. The inspection area or “docking station” must provide good site access, a water source approved by the local IHA that meets drinking water standards, liquid and solid waste disposal ie. septic, a hard surface (which can be gravel), and covered livestock holding and handling areas or corrals. As a result, the red meat mobile unit increases from 12 feet to 53 feet, making it less maneuverable, more costly to move, and limiting access to some farms. The estimated cost to build a docking station for red meat slaughter is \$15,000-\$20,000, and for poultry slaughter \$5,000-\$10,000.

- *These things won't move around as much as they used to. I'd be surprised if there are more than 3 locations. BCFPA*
- *The reason you have a mobile is to keep the animals on your farm. If you truck them, they're all stressed out and the meat is tough. Docking stations defeat the purpose of having a mobile. Beef Producer*
- *At this point the regulations indicate a few fixed docking stations would work. This is not what the small producers want, but rather the mobile going from farm to farm which is what the producers want, and the best product requires. Chicken Producer*
- *This obligation for everyone who wants to grow and have chickens processed onsite to have site approval is an impediment that may well reduce the pool of people even interested in growing a few chickens for resale from home. It could well be that one might build a trailer only to discover that there are many people like me who will begin to think the whole exercise just isn't worth the effort, or will simply wait a year or two without producing to see how the regulations work out for others. Poultry Producer*

#### 9.2 Complexity of Licensing and Inspection

Obtaining a license can involve up to 8 provincial agencies: BC Centre for Disease Control (grants licenses), B.C. Food Processors Association, Interior Health Authority (Drinking Water Officer and Food Safety Inspection), Ministry of Environment, Canada Food Inspection Agency, Ministry of Agriculture and Lands, RDNO or local municipal government. In addition, utilities and other agencies are involved in building construction.

Processors report that dealing with so many government agencies each with different, complicated, sometimes contradictory, and still evolving regulatory requirements has been extremely onerous. Licensing requirements change as agencies discuss, negotiate and address apparently unanticipated circumstances. Processors stated it was difficult to get clear and committed answers to questions, and often they were verbal only. Guidelines such as Ministry of Environment's waste Code of Practice and CFIA's SRM disposal requirements were announced late in the process, in June and July 2007.

For example, mobile operators initially had the impression that they could continue to be mobile from farm to farm. At the September 2007 public information meeting in Vernon, a question asked about the need for docking stations if a mobile is fully-contained resulted in a debate among government officials from various agencies who disagreed on whether they were required or not. In January 2008, producers could not get a clear answer on the disposal requirements for solid waste from a mobile chicken operator because agencies had not decided whether this is classified as agricultural or industrial waste.

One processor reports he began the licensing process in October 2006 and still is not operational. In addition to incurring the costs of upgrading, he has missed the entire fall 2007 slaughter season. Another began in April 2006, did not receive notice of approval for plans until September 2007. He also received a letter stating no grant money was available, which had a significant impact on his business plan, then in December 2007 received a letter stating he had qualified for funding after all.

Although MIR was described as an outcome based regulation, according to processors the focus of officials appears to have extended into approving and regulating minute details of slaughtering, rather than the general process and its outcome. Decision making is concentrated with the CFIA inspectors and the BCCDC.

- *I never would have thought it would be so onerous to get approvals from all levels and agencies of government. It's mind boggling! No one is given the authority to approve anything. 'We'll have an inter-ministry phone call or meeting and get back to you.'* Processor
- *It's been quite a challenge.* Processor
- *I could write a book about this unbelievably frustrating process.* Processor
- *I welcome the rules and regulations. It eliminates butchering of sick and dying animals. But they have gone crazy. They make it impossible to do small farming. The biggest expense was the washroom and lunch room for the meat inspector.* Processor
- *There are all kinds of issues. This seems to be run by people who have no idea what they're speaking about in practical terms. It's not a show I want to be a part of.* Former Processor

### 9.3 Cost of Achieving Licensing

Upgrade costs for fixed plant processors range from \$150,000 to \$300,000. This represents a substantial investment for a sole proprietor to meet regulations that, unless expansion capacity is added at additional cost, do not improve productivity or revenues.

Funding of \$4 million was allocated to a Meat Transition Assistance Program by the Provincial government in April 2006 to assist with construction and equipment costs associated with upgrading or building slaughter facilities. Individual plant assistance of up to \$50,000 and Community Solutions funding of up to another \$100,000 was offered, but those funds have been allocated or spent. Slaughter facilities must match the funding dollar for dollar. Locally, both Class C licensees have qualified to receive funding from both sections, but were advised after MIR came into effect.

- *I am not jeopardizing my family's financial status to get licensed.* Processor
- *There's not that much money in the business.* Former Processor
- *If you don't make a certain amount, it's not worth doing.* Former Processor
- *My costs are double what my initial budget was.* Processor
- *It was the right time for me to get out. If I were 30 years old, I'd think twice about continuing. There's no profit in it.* Former Processor

#### 9.4 Inspection Services

Local processors trying to become licensed commented on the inspectors' apparent lack of understanding of small and medium scale operations, which required lengthy negotiations and explanations to have practices and equipment approved. Inspectors are accustomed to federal standards. Processors also commented on inconsistencies between inspectors and the degree of individual discretion they exercise.

Concern was expressed that small scale processors may not have the volume of business to employ an inspector full time, and that eventually they will no longer have access to inspectors at all, and be forced out of business. The Province has also indicated it will no longer pay for provincial inspectors after 2012. Some custom processors may not be able to bear the full salary and benefit costs for an inspector, in addition to the costs incurred for upgrading. This adds another dimension of uncertainty to their business.

Two of the fixed plant poultry operators stated they would consider resuming business under a more sympathetic, local inspection system.

- *The inspector had only seen large plants. The requirements changed every week. First we had to have knife sterilizers at every station, then not. Our doors were wood clad with metal. We were told our big doors had to be replaced with metal, self-closing doors. Then BCFPA was involved and we were told our metal clad doors were good enough. What if I had already bought the metal doors?* Processor
- *The flock needs to be inspected before slaughter, then the meat after slaughter. It's not feasible for 30 to 40 customers.* Processor
- *The inspection system will need to be operated to maximize inspection time and reduce waiting/travel time. It cannot be expected that inspection can be made available for very small numbers of animals on a frequent basis at every site.* BCFPA Parameters for Mobile Meat Processing Sites, February 16, 2006
- *One inspector says it's ok; the next guy says it's not. You're never done with them.* Former Processor
- *We don't pay for inspectors now. In 2012 we may have to. It will be like having another employee and I'll have to pass that cost on.* Processor

#### 9.5 Regulatory Uncertainty

Although the intention of delaying implementation of MIR was to allow for a transition period, the effect was to create a climate of uncertainty where, for some small business operators, it appeared riskier to proceed with licensing given the significant cost than waiting to see what happened. What if expenses were incurred and the regulation was amended?

Abattoirs are now at different stages of the licensing process. Those that met licensing requirements when the regulation was initially passed in 2004 have invested without government financial support. When the Class C licenses were granted, those in the midst of upgrading to try to meet the September 30 deadline realized that they could have continued operating and made upgrades more gradually with less disruption to their business. Those that might consider expansion to meet additional demand may find it does not exist if Class C license holders continue to operate under pre-MIR conditions.

#### 9.6 Cost of New Abattoir Construction & Land

Estimates for new plant construction vary considerably. Some officials have suggested a new plant could be built for \$360,000. A local processor in the midst of upgrading doubted that an operator could meet the licensing requirements and pay for processing equipment for under \$500,000. Plans for new processing plants announced recently suggest new construction costs are in the order of \$1,500,000 excluding the cost of land.

The Slocan Valley Abattoir Co-operative is planning to build a multi-species, provincially inspected abattoir with an estimated cost of \$1,500,000. It will have capacity to process 1000 beef, 300 sheep, 1100 pigs, 12,000 chickens and 1,500 turkeys as well as sheep and goats. In Telkwa, a \$443,000 loan guarantee from the Northern Development Initiative Trust was announced for the Northwest Premium Meats Co-op. According the press release, the facility will handle 3,000 animals per year at a cost of \$1,600,000. In the Okanagan, land prices are a further barrier.

### 9.7 SRM Disposal & Costs

Certain cattle waste products called “Specified Risk Materials” or SRMs contain abnormal proteins called prions which have been associated with BSE or “Mad Cow Disease.” Federal regulations require that anyone who slaughters cattle must ensure that no SRMs end up in the human food chain.

Licensed abattoirs must pay and arrange for waste disposal. Only one company in this region collects animal waste and transports it to Alberta, charges 12.5¢/lb plus flat fees for tubs and bins for waste disposal. Licensed processors presently have no other options. Possible alternatives are composting, disposal at a landfill site or incineration. A joint project between RDNO, TNRD, and CSRD to evaluate slaughterhouse waste disposal alternatives and associated costs is underway.

- *We need a local solution for SRM, otherwise this will drive the cost up in a big way. Local landfills don't want to take our material and the only company, Greenwave, are raising their price dramatically. Processor*
- *I pay \$4200 to \$4600 per week in waste disposal costs. Processor*
- *Waste disposal costs are killing us. Processor*

### 9.8 NIMBY

Local residents are not always supportive of having slaughter and/or waste disposal facilities operating in their neighborhoods. Opposition at community meetings to disposal of SRM waste at the regional landfill in Spallumcheen and SRM disposal in Westwold are recent local examples.

### 9.9 Chicken & Turkey Marketing Board Limits

According to the General Orders of the BC Chicken Marketing Board (BCCMB), established in 1961, producers are allowed to raise 200 birds per calendar year for their own consumption, and may apply to the BCCMB for a permit to grow and sell up to 3,000 kilograms live weight of chicken per year (approximately 1000 birds). Otherwise, chicken quota for meat production is allocated by the BCCMB. Similarly, anyone producing more than 25 turkeys per year is subject to the B.C. Turkey Marketing Board, established in 1974.

Local specialty chicken and turkey production filled consumer demand not being met by quota production. Several producers expressed a need for marketing boards to increase the numbers of birds allowed outside the quota system. A Farm Investment Review Board review completed in 2006 recommended that small producer exemption levels be increased. Province of Alberta for example, allows 2000 chickens and 300 turkeys.

## 10.0 ALTERNATIVE SOLUTIONS

### 10.1 Other Models

Although provincial officials suggest that B.C.'s regulation is bringing the province into line with the rest of Canada, this is simply not true. There is a great deal of variation among provincial meat inspection regulations. Several other provinces, including Provinces of Saskatchewan and Nova Scotia have local inspection either by Health or Agriculture, or allow on farm slaughter and farm gate sale of meat that is not provincially inspected. Another province waives the need for pre slaughter inspection of every animal in the case of rabbits and chickens, allowing inspection of representative animals from the group.

Province of Saskatchewan's model preserves local inspection of meat that is going to be marketed within the province, except in the two meat inspection areas of Cities of Regina and Saskatoon, which allow only the sale of meat slaughtered in provincially inspected facilities. In the rest of Saskatchewan, meat must be processed in a facility that is licensed by the local health region, which requires minimal construction and sanitation standards and does not require carcass inspection. An outline of this Province's model is included in the appendices.

Province of Nova Scotia enshrines the principle of *“the right to produce and sell wholesome product direct to the consumer”* in the guiding principles of its Meat Inspection Act.

- *In the US some states accept the USDA's exemptions for small producers and on-farm processing and others don't. Some have state Department of AG inspection requirements that replace or supersede the USDA's. In Pennsylvania where I operate there is no state inspection program for poultry and they respect the USDA exemptions for small producers (even though we had to go clear to the top of the PA dept of Ag to get a local health inspector to believe it). We can butcher up to 20,000 bird units (turkeys count as 4 units each) that we have produced ourselves and can sell those birds within the state of Pennsylvania for consumption or re-sale. To sell across state lines I would have to have them done at a USDA inspection facility -- but none exist that will do small batches of birds. Interim coordinator, American Pastured Poultry Producers Association*
- *They are lowering the bar to get you in. We don't even want to go near it now. If other provinces have municipal inspection, why can't we? Processor*

### 10.2 Interest In A Co-operative

Producers expressed some interest in investing in a co-op: 54% of respondents said they would be interested. Of those that indicated, 40% were willing to invest \$100 and 30% \$500. Four respondents indicated they would be willing to invest \$1000, and 2 said \$5000. Two new plants announced in other areas of B.C. are co-operatives.

*We already invested and it went broke: Blue Mountain Packers. Beef Producer*

### 10.3 Best Solution

Respondents offered the following comments when asked what, in their opinion, was the best solution to maintain meat production in the North Okanagan:

- *Provide safe, clean abattoirs prior to inflicting meat inspection regulations. Provide training for inspectors in a more organized fashion. The situation now is encouraging black market meat sales at the request of the consumer.*
- *I would support municipal inspection instead of provincial.*
- *Fund new or existing plants 50%.*
- *Some kind of system that supports small scale production of livestock and poultry.*
- *Less regulation, more common sense.*
- *I like the idea of stamping the meat "not inspected" and leave the choice to the consumer.*
- *Let on farm slaughter be 'grandfathered' and let small butchers accommodate the farm slaughtered animals.*
- *Grandfather existing facilities with spot inspections. Establish community-run slaughter facilities ensuring food security if no other private facilities are available.*
- *Let customers decide how they want their food processed. Take note from the Saskatchewan government.*
- *The system was not broken. It did not need fixing. Tainted meat came from government inspected facilities.*

## 11.0 CONCLUSIONS

Implementation of the regulation September 30, 2007 resulted in the loss of custom slaughter capacity serving RDNO. All five specialty poultry processing facilities have closed, eliminating chicken production valued at \$520,000 for 762 producers. No poultry processors are presently operational. Four custom red meat processors have closed. Conservatively estimated, processing capacity for at least 1875 beef, 3000 lambs, 2,775 pigs has been lost--the equivalent of two smaller or one larger custom processor. A simple calculation suggests a value of \$4,635,250 for this livestock production. Class C licenses do not replace the lost processing capacity. Except for one local plant, the provincially licensed plants identified as serving the Thompson-Okanagan either do not do custom slaughter, are not operational at present, are significant distances away, or are already booked. As a result, RDNO has become an underserved region for both custom red meat and poultry processing.

Processors find navigating the complex regulatory requirements of 8 government agencies daunting. Some experienced local poultry processors and producers who undertook efforts to become licensed gave up in the face of upgrade costs that made their businesses uneconomical, confusing and extensive licensing requirements, and contradictory or incomplete responses from regulatory agencies. The debate over whether slaughter waste is agricultural or industrial waste is one example of a key issue that is unresolved. Decision making for licensing is highly concentrated. It is not clear that there is enough flexibility or understanding to accommodate the needs and different practices of small scale processors and producers. Costs for upgrading and waste disposal costs translate to higher production costs for producers.

Mobile slaughter operations offer an opportunity to address on farm processing needs at a lower capital cost than licensed fixed plants, but regulatory requirements severely limit their ability to move from farm to farm, which is what producers want.

The small scale livestock producer is bearing the brunt of the impact of lost custom slaughter capacity. Producers have reduced or discontinued livestock production, lost revenues, been unable to slaughter animals and some will lose farm status and stop farming. For a small number of producers the implementation of MIR has been disastrous, resulting in loss of a full year's revenues, destruction of animals that could not be slaughtered or over-wintered, and loss of herds that had taken years of breeding to build.

The full extent of the impact has not yet been felt as many producers wait to see what custom slaughter capacity is in place and how it is priced by fall of 2008. Custom poultry production will be virtually non-existent in 2008 unless licensed poultry processing facilities are in place soon to allow producers to meet chick ordering deadlines in early 2008.

Small scale producers and processors are small businesses with a need and expectation of making a profit. They contribute to the regional economy and fit with development opportunities such as wine tours, cuisine featuring locally grown foods, agri-tourism, and the rural quality prized by local residents. Yet there is very little data currently available on small scale agricultural production in the region, or on the potential consumer demand for such products.

Meat inspection regulations in other provinces and states accommodate small scale producers. Small production quantity exemptions; allowing farm gate sales of meat not processed in a federally or provincially licensed plant; offering Food Safe training for producers; or providing for veterinarian or other local inspection of on farm processing are examples that work. The issues raised by the implementation of the Meat Inspection Regulation and the impact on small scale production are complex. However, if government wants to support local agriculture and local food production, the needs and welfare of the small producer must be explicitly addressed in the policy and regulatory environment.



## 12.0 RECOMMENDATIONS

### 12.1 Province of BC:

1. Establish a Task Force to review implementation of the Meat Inspection Regulation and the Meat Industry Enhancement Strategy. The Task Force should:
  - a. Include representation from small producers, small scale abattoir operators, and local government;
  - b. Make immediate provision for one-time approval to legalize slaughter or provide relief for those producers in extreme distress as a result of the lack of appropriate custom slaughter capacity;
  - c. Review and streamline the requirements for mobile slaughter operations, particularly the requirement for inspected docking stations, to preserve farm to farm mobility;
  - d. Establish a Review Board to review and approve implementation guidelines and decisions, and act as an appeal body for small scale processors;
  - e. Undertake an inter-ministry review to achieve a streamlined, coordinated and simplified licensing process for small scale slaughter establishments with input from affected parties to ensure practicality.
2. Provide for on farm slaughter and processing establishments using models from other Provinces.
  - a. To provide flexibility and consistency, train and certify local inspectors (veterinarians or health inspectors) for meat inspection, including on farm inspection for on farm slaughter;
  - b. Or allow for farm gate sales of meat not slaughtered in a provincially or federally licensed facility.
3. Initiate a review of poultry marketing board small lot production limits to allow allotments that are economically viable in the face of growing consumer demand.
4. Provide additional, substantive funding for:
  - a. Upgrades, expansion and new construction of custom slaughter capacity to serve local needs;
  - b. The construction of community docking stations in the absence of amendments to MIR;
  - c. SRM and slaughter waste disposal initiatives.

### 12.2 RDNO

5. Collaborate with the Provincial government to achieve a regulatory approach that supports on farm slaughter for farm gate sales as a means of supporting the local agricultural community.
6. Incorporate planning to support local agriculture, particularly small producers and the small farm economy, in the regional growth strategy, official community plans and zoning decisions.
7. Create and fund an Agriculture Support staff position to work with local producers, processors and others to enhance local agricultural production, and obtain a better understanding of small scale agricultural production and its needs. Consider the merits of establishing an Agricultural or Food Policy Advisory Committee.
8. Partner with neighboring regional districts to facilitate the development of additional local custom slaughter capacity by:
  - a. Exploring expansion potential at existing licensed facilities in the region, for example through the addition of more coolers;
  - b. Developing a business plan for new construction in partnership with organizations such as Community Futures;
  - c. Exploring producer interest to form a co-operative or other joint venture.
  - d. Actively support and allocate substantive staff time to inter-regional efforts to develop solutions for SRM disposal.
9. In the absence of amendments to the regulation, help identify ways of funding the construction of community docking stations in areas with the highest need, likely Armstrong, Lumby and Enderby.
10. Encourage the Ad Hoc Committee to communicate the results of the Impact Assessment to other agencies.

### 12.3 Local Producers

11. Small scale producers need to find ways to organize across species and regional lines to speak proactively to regulations and policies that affect their industry and well being, including seeking representation on provincial and industry boards.

## 13.0 APPENDICES

### 13.1 Appendix: Agricultural Overview

Agriculture, forestry and tourism have typically been key economic drivers of the North Okanagan. According to 2006 Statistics Canada Census of Agriculture data provided by the Ministry of Agriculture, there were a total of 1,227 farms reporting in RDNO, farming an area of 76,624 hectares. The urban rural population split was 67% urban and 33% rural.

The average farm size was 62.45 ha, with farms under 4 ha at 23% of the total, and farms between 4 and 52 ha at 56%. Only 5% of farms reporting were over 161 ha. Total land in the ALR in 2004 was 65,948 ha of a total regional land base of 787,190 ha, or 8.4%.

Mixed farms are common, where livestock complement vegetable and fruit crops, or more than one type of livestock is raised on the same farm. Between 2001 and 2006, the number of all types of livestock except dairy cows, cattle and calves and horses and ponies decreased. There were 7 certified organic *livestock* farms reporting in 2006 compared to 1 in 2001, and 17 certified organic farms in total.

Livestock and poultry represented \$38,535,843 of total farm capital investments of \$1,278,864,574.

<b>Farms by gross receipts</b>	# Farms		<b>Farm Size</b>	# Farms	
< \$2500	659	54%	< 4 ha	283	23%
\$2500 - \$24,999	192	16%	4 – 52 ha	688	56%
\$25,000 - \$99,000	195	16%	52-161 ha	182	15%
\$100,000 and over	181	15%	> 161 ha	65	5%
<b>Total Farms</b>	<b>1227</b>	<b>100%</b>	<b>76,624 ha</b>		

<b>Livestock Farms</b>	<b>2006</b>			<b>2001</b>		
	# Farms		# Animals	# Farms		# Animals
Hens & Chickens	246	13%	1,108,689	267	13%	1,136,694
Turkeys	29	2%	903	45	2%	1,138
Total Other Poultry	40	2%	x	67	3%	1,235
Cattle & Calves	479	25%	39,633	491	25%	36,772
Dairy Cows	68	4%	5,538	74	4%	4,917
Beef Cows	313	17%	10,766	333	17%	11,047
Pigs	43	2%	3,726	45	2%	4,186
Sheep & Lambs	79	4%	5,210	93	5%	6,950
Goats	56	3%	1,107	57	3%	1,134
Bison	9	.5%	111	3	.2%	x
Deer & Elk	5	.3%	x	3	.2%	38
Rabbits	No data			12	6%	767
Horses & Ponies	444	24%	3,426	429	22%	2,968
Llamas & Alpacas	40	2%	449	37	2%	719
Colonies of Honey Bees	32	2%	2,695	32	2%	2,695

x= data is confidential due to the low number of farms reporting

13.2 Appendix: Government of Saskatchewan Meat Inspection Regulation

<http://www.agriculture.gov.sk.ca/Default.aspx?DN=758fcfe8-f59a-4647-874f-58e11885fd34>

## Government of Saskatchewan Marketing Meat and Meat Products



Updated: April 2007

**Note:**

For the purpose of this fact sheet, the term "livestock" includes cattle, sheep, goats, pigs, poultry, game animals, game birds and other specialized livestock.

A change to federal regulations effective August 23, 2003 requires specified risk materials to be removed from all cattle slaughtered, regardless of where they are slaughtered. Specified risk materials are the skull, brain, trigeminal ganglia (clusters of nerves associated with the skull), eyes, tonsils, spinal cord and dorsal root ganglia (clusters of nerves associated with the vertebral column) of cattle aged 30 months or more and the distal ileum (end portion of the small intestine) of all cattle. If you wish more information, please contact Jim Laturnas at (306)787-8525 or

[jlaturnas@agr.gov.sk.ca](mailto:jlaturnas@agr.gov.sk.ca).

Producers who raise livestock with the intent of marketing their own meat or processed meat products should give careful consideration to where they will have their livestock slaughtered or meat processed. The type of plant where animals are slaughtered has a significant impact on where the meat can be marketed

### **Marketing meat and meat products nationally or internationally requires federal meat inspection.**

If the intent is to market meat in another country or even in another province in Canada, the animal must be slaughtered and processed in a federally registered plant. Federal inspection is done under the authority of the Canadian Meat Inspection Act and Regulations, and is conducted by officials of the Canadian Food Inspection Agency (CFIA). These regulations contain strict facility construction and sanitation standards to ensure the safety of the meat/meat product, and require ante- and post-mortem inspection of each animal and carcass.

Some countries require food safety standards above and beyond federal certification. The European Union, for example, applies its own certification standards above and beyond the Canadian ones. Some meat and meat products are subject to specific labeling requirements.

For a list of federally inspected plants, information on safety standards, labeling and EU certification, or for other assistance, contact:

The Canadian Food Inspection Agency  
301-421 Downey Road  
Saskatoon SK S7L 4L8  
306-975-5010  
[www.inspection.gc.ca](http://www.inspection.gc.ca)

### **Marketing meat and meat products in Regina or Saskatoon requires at least provincial (i.e. domestic) inspection.**

*(Note, as of April 2005, Moose Jaw rescinded the city by-law requiring meat from inspected carcasses)*

The cities of Regina and Saskatoon have meat inspection bylaws which predate provincial legislation; consequently the regulatory requirements in those jurisdictions operate slightly differently than in the rest of the province. These civic bylaws require that the animal be slaughtered in a plant that is either federally inspected or enrolled in the provincial domestic meat inspection program. These bylaws apply to all meat and meat products sold to consumers, wholesalers and retailers (including restaurants).

Provincial inspection is conducted under the authority of The Diseases of Animals Act and meat inspection regulations, and is similar to the federal standard. The provincial regulations contain facility construction and sanitation standards to ensure the safety of the meat/meat product, and require ante- and post-mortem inspection of each animal and carcass.

For a list of provincially inspected plants or for other assistance, contact:

Saskatchewan Agriculture and Food  
125-3085 Albert Street  
Regina SK S4S 0B1  
Telephone: 306-787-8525 or [Email](#)

**Marketing meat and meat products outside the province's two main cities requires health district inspection.**

If the meat is going to be marketed in any part of Saskatchewan other than the two main cities, the animal must be slaughtered and the meat processed in a facility that is licensed by the local health region. Health district inspection is done under the authority of The Public Health Act and Sanitation Regulations. These regulations contain minimal construction and sanitation standards and do not require carcass inspection. Prior to constructing a health region licensed slaughterhouse or meat processing facility, the operator should consult the senior public health inspector with the local regional health authority.

These regulations apply to meat and meat products sold to local restaurants and cafes as well as to local grocery stores. Contact the appropriate health services district for the senior public health inspector in your area:

Sun Country Regional Health Authority #1 – Weyburn	(306) 842-8618
Five Hills Regional Health Authority #2 – Moose Jaw	(306) 691-1500
Cypress Regional Health Authority #3 – Swift Current	(306) 778-5280
Regina Qu'Appelle Regional Health Authority #4 – Regina	(306) 766-7777
Sunrise Regional Health Authority #5 – Yorkton	(306) 786-0600
Saskatoon Regional Health Authority #6 – Saskatoon	(306) 655-4605
Heartland Regional Health Authority #7 – Rosetown	(306) 882-6413
Kelsey Trail Regional Health Authority #8 – Melfort	(306) 752-6310
Prince Albert Parkland Regional Health Authority #9 – Prince Albert	(306) 765-6600
Prairie North Regional Health Authority #10 – North Battleford	(306) 446-6400
Population Health Unit/Keewatin Yatthé/Mamawetan	
Churchill River Regional Health Authorities – La Ronge	(306) 425-8512

### **There is no inspection required on meat sold at the farm gate.**

Livestock slaughtered on the farm can be sold only to a consumer who comes directly to the farm gate. The meat can be cut into steaks and roasts, ground into hamburger\*, wrapped and frozen on the farm, but no further processing is permitted. (i.e. It cannot be turned into sausage, jerky, bacon, etc. and offered for sale. These products must be produced in a health region [http://www.health.gov.sk.ca/ph\\_rha\\_map.html](http://www.health.gov.sk.ca/ph_rha_map.html) approved facility if they are going to be sold.) All liability rests with the farmer.

\* due to increased risk from bacteria such as E. coli O157H7 with ground meats, proper sanitation of equipment and proper handling and refrigeration of this product is emphasized to avoid any cross contamination

#### **Farmers' market sales.**

Meat and meat products sold through farmers' markets must meet the regulatory requirements of the jurisdiction in which the market is located. In other words, products sold through farmers' markets in Regina and Saskatoon require at least provincial inspection; in all other jurisdictions they require health region approval.

#### **There are different regulations for marketing meat and meat products to hospitals.**

If the intention is to sell meat or meat products to a Saskatchewan hospital, the meat can be processed by a health region approved butcher shop but the animal must have been slaughtered at a federally or provincially inspected abattoir.

Hospitals fall under the Hospital Standards Regulations and, therefore, have different regulatory standards.

#### **Labeling requirements.**

Meat and meat products sold at retail outlets in a pre-packaged form must meet federal labeling requirements, which are enforced by the Canadian Food Inspection Agency. The "Guide to Food Labeling and Advertising" is available from the CFIA website at [www.inspection.gc.ca](http://www.inspection.gc.ca).

### **Meat product development and testing**

There are two agencies in the province which provide assistance in meat product development and testing

The Meat Group at the University of Saskatchewan assists small-to-medium-sized processors with meat product development, formulation evaluation and product improvement, technical support and troubleshooting, on-site inspection and scale-up, and sourcing of ingredients. It also provides seminars, short courses, newsletters and fact sheets.

The Saskatchewan Food Industry Development Centre, also at the University of Saskatchewan, provides processors of all sizes with assistance in product/process development and technical services, interim processing, and food safety and quality assurance training, as well as access to business and market development services. It is a federally registered plant, monitored by the CFIA and operated under Hazard Analysis and Critical Control Points (HACCP) guidelines. It can manufacture, package and test nearly any meat product.

### 13.3 Appendix: Questionnaire Results

#### 13.3.1 Respondents and Number of Animals Represented

**Table 5: Survey Respondents by Species**

	Respondents	Number of Animals	Reporting Farms in RDNO** (2006)	Animals Produced in RDNO** (2006)	Producers in B.C. (2001)**	Animals Produced in B.C.** (2001)
Beef	68	1,187	792	50,399	7,726	814,949
Sheep/Lamb	26	4,849	79	5,210	1,865	83,307
Pigs	18	184	43	3,726	1,120	165,816
Chicken	44	14,914	246	1,108,689	5,198	18,820,347
Turkey	15	521	29	903	769	819,569
Rabbit	2	55	n/a	n/a	264	17,757
Bison	1	15	9	111	n/a	n/a
Boar	1	125	In Pigs	In Pigs	n/a	n/a
Deer	2	n/a	5	n/a	n/a	n/a
Goat	2	6	56	1,107	1,040	18759
Total *	180	21,856				

\* Total is larger than the number of respondents because of mixed farms that produce more than one species of animal.

\*\*Statistics Canada Census of Agriculture data

#### 13.3.2 Slaughter Costs

**Table 6: Pre MIR Red Meat Slaughter Cost Comparison**

	Location	Beef	Bison	Lambs	Pigs	Rabbits	Wild Boar	Deer	+Waste Disposal	+Cut & Wrap
Processor 1	Enderby	\$75		\$35	\$35				included	.50 /lb
Processor 2 Prov. Lic.	Salmon Arm	\$60		\$70					.125-.15 /lb	.55/lb
Processor 3	Enderby	\$50	\$75	\$30	\$35	\$2.50	\$30	\$30	.25/lb	.50 /lb
Processor 4	Armstrong	\$90-100		\$40	\$30					
Processor 5 Fed. Lic.	Westwold	\$250	\$310-\$320						included	n/a

### 13.3.3 Survey Questions

**Did you experience a lack of capacity for slaughtering livestock *before* the meat inspection regulation came into effect on September 30, 2007?**

Yes 26%  
No 74%

**Did you experience a lack of capacity for slaughtering livestock *after* the meat inspection regulation came into effect on September 30, 2007?**

Yes 90%  
No 10%

**Did you slaughter earlier or later than ideal or usual because of the implementation of the meat inspection regulation?**

Yes 49%  
No 51%

**Do you currently have livestock you have been unable to slaughter?**

Yes 17 producers 33%  
No 35 producers 67%

**Have you had to destroy animals because you were unable to slaughter them for sale?**

Yes 2 producers 4%  
No 44 producers 96%

**Have you reduced the number of animals you raise for meat production because of the new meat inspection regulation?**

Yes 58%  
No 23%  
Unsure 19%

**Are there any factors other than the new meat regulation (such as rising feed costs, for example) that influenced your decision to stop producing?**

Yes 23%  
No 77%

**If you have stopped producing, would you consider going back into production if your preferred processing was available at a cost comparable to pre-regulation prices?**

Yes 96%  
No 4%

**If adequate processing capacity were available at pre-regulation prices, would you increase your production?**

Yes 66%  
No 34%

**Are there other barriers (eg. other production cost increases or other regulations) that would prevent you from resuming or increasing livestock production?**

Feed cost increases  
Land capacity already reached  
Increased slaughter and cut/wrap costs  
Not able to get farm help  
Marketing Board Quantities: limit for non-quota chicken is too low.  
Deadline for ordering chicks



Beef:           \$20-30 \$100 5x       \$170   \$90-100

**Do you need certified organic processing?**

Yes           7 producers  
No            42 producers

**Do you need custom slaughtering?**

Yes           100%

**Are you willing to invest in a local coop or business to get slaughtering done?**

Yes           54%  
No            46%

**How much?**

\$100         40%  
\$500         30%  
\$1000        20%  
\$5000        10%

**How many years have you been producing livestock?**

Years	# Producers
0-5	9
6-10	9
11-20	26
21-30	9
31-40	8
41-50	5



#### 13.4 Meat Inspection Regulation Petition

To: The Honourable George Abbott, BC provincial Health Minister.  
 The Honourable Pat Bell, BC Minister of Agriculture and Lands.  
 The Honourable Gerry Ritz, federal Agriculture and Agri-Food Minister.

cc: The Honourable Tom Christensen, MLA, Okanagan Vernon.  
 The Honourable Corky Evans, MLA Nelson Creston.  
 Elizabeth May, Leader of the Green Party of Canada.  
 Adriane Carr, Deputy Leader of the Green Party of Canada.  
 Rick Fairbairn, Director North Okanagan Regional District.  
 Colin Mayes, MP, Okanagan Shuswap Riding.  
 Alice Brown, NDP Candidate, Okanagan Shuswap Riding.  
 Wendy Aasen, Community Developer, North Okanagan Food Action Coalition.

from: Huguette Allen, MP Candidate, Green Party of Canada, Okanagan Shuswap Riding,  
 GPC Industry & Small Business Critic

Subject: 7,000 name petition regarding Meat Inspection Regulation.

Ministers,

It has come to my attention that you are reviewing the Meat Inspection Regulation of the Food Safety Act, B.C.Reg. 349/2004, that came into effect at the end of last September. This regulation forbids farmers from selling meat and poultry produced and processed on the farm, as has been practised since the beginning of agriculture.

I take this opportunity to thank you on behalf of 7,000 families who have petitioned you to reconsider this regulation, and to ensure that the thousands of comments they have carefully written be considered during your review. The reasons given by these petitioners make strong and clear arguments for allowing people to choose the food they eat and for farmers to produce, process and sell locally on their farm.

First a little history: Last Fall, a petition asking you to re-think the meat regulation that came into effect on September 30<sup>th</sup> 2007, containing 2,000 signatures was brought to the legislature in Victoria and to the Federal Ministry office in Vancouver. This petition has now swelled to 7,000 signatures simply through grassroot efforts, and would undoubtedly reach many times that number if continued. Please notice that most signatures represent families since the online version allows one signature per computer.

The reason both levels of government are addressed is because food regulation is a shared responsibility by the federal and provincial governments and that at the federal level, meat inspection has been undertaken by the Canadian Food Inspection Agency. Our hope is that both governments can work together to facilitate regulations that will allow Canadians to choose the food they eat as requested in the petition.

Attached is a resume and small sample of the reasons 7,000 people gave when asking you to review existing regulations. Printed copies of the petitions will be sent to the federal and provincial ministers upon confirmation of receipt of this letter.

We look forward to an answer that will assure us that farmers' markets will continue to sell local foods from known sources. The meat inspection regulation as it stands, and apparently others to follow, make this unlikely. Canadians are wary of products from unknown sources. Regulations allow products to be labeled "product of Canada" when in fact 100% of their food content is from elsewhere as long as the value of the processing done in Canada meets the criteria. We hope your response will reassure us that your policies are reflective of your campaigns that urge us to buy local foods.

Sincerely,  
 Huguette Allen.

## Resume of reasons given by petitioners for asking the government to review meat inspection regulation:

1. **Food Safety:** Animals raised and slaughtered on neighbourhood farms result in much safer meat than animals transported all over the province and distributed via a centralized system, as proven from the fact that there has never been any reported illness from such meat whereas there are numerous illnesses and deaths that have occurred from the centralized system.
2. **Risk Reduction:** If a problem were to arise from a farm-gate sale it would result in an isolated incident affecting a small known clientele whereas problems in the centralised system result in large outbreaks affecting huge populations that are impossible to track.
3. **Environmental Stewardship:** BC is a largely rural province that can significantly reduce climate change emissions by allowing people to buy directly from the farmers in their neighbourhood. Forcing transport for all food items directly increases emissions that contribute to climate change.
4. **Food Security and community self-reliance:** Experts project that epidemics such as Avian Flu, bacteria Methicillin-resistant Staphylococcus Aureus (*MRSA*), mad cow disease (BSE), foot in mouth, bluetongue, Creutzfeldt-Jakob disease and SARS are likely to interrupt imports at some point. These outbreaks tend not to affect family farms where animals are raised outdoors without daily doses of antibiotics. Creating regulations that shut down family farms and put producers and processors out of business due to the onerous conditions they impose, endangers the food supply by eliminating a significant safety net of food production capacity among BC's communities.
5. **Right to choose:** People throughout Canada are upset at governments that take away their right to choose the food they eat while substances proven to cause cancer are still for sale on store shelves. People trust the farmers in their communities far more than they trust the centralized industrial system that have failed them repeatedly and people want government out of their kitchen, their barns, and their bedrooms.
6. **Keeping BC's rural communities alive:** Because smaller producers and processors are going out of business, the communities in which they operated are radically changing their character, often becoming deserted by the mechanisation and polluted by the practices of the high-risk factory farming that replaces them.
7. **Animal welfare:** Extensive transport and crowded slaughtering conditions cause unnecessary stress and cruelty to animals.
8. **Economy:** The economy of BC's rural areas highly depends on family farms. These areas are attractive tourist destinations that can quickly turn into places to avoid, due to smells, pollution and lack of community events and spirit, as can be seen in rural areas of Quebec where the factory pig farms have been implemented. Areas of Quebec and Alberta where family farms have been replaced by factory farms are now requesting government aid to prevent bankruptcy resulting from conditions beyond their control.

**Following is a small sample of comments written by petitioners. A full list can be emailed on request.**

Elaine;Holmes;--;V1T 5V7;CA;I am appalled that Canadians have to protect our country from the government that runs it. This legislation serves only to destroy communities from the bottom up. Who in their right mind would want to hand over the control of their food source to large corporations?

Nora;Fulop;--;V0E1B6;CA;My husband and I are small producers of lamb. We have our steady customers each year & now have no local slaughter house to go to. We also sell turkeys yearly at Thanksgiving. All our local poultry slaughter houses have decided to close Sept. 30, so that is the end of our turkey business as well as having nowhere to go with the meat chickens for our own consumption. The large producers have been successful with their lobbying It won't be long before our feed store begins to feel the financial crunch. So much for having the ALR. We should apply to build a subdivision since we can't use our land to raise animals.

Dale;Kerr;--;v0e 2w2;CA;It is not necessary for big business to dominate our lives. Local farms can do the job of providing food very nicely. If it ain't broke, don't fix it, as they say.

Jason;Englisch;--;V1S 1L5;CA;The movement to eat local needs to be supported by our governments and not attacked by them. Money may dictate that our elected officials work to serve corporate interests but it is imperative that this change. The fact we have to fight this fight over the very basics of life, in this case food, displays how desparate the situation really is.

Christine;LeFloch;--;V1T 4V2;CA;Before i moved to the Okanagan i was a vegetarian for several years. This was because i did not trust that the meat available commercially in grocery stores was raised and butchered in a sustainable, humane manner. When i moved to Vernon i found that there were local sources of meat that did meet this criteria and i could purchase directly from the producers, tour the farm etc. In speaking with these producers about this new slaughterhouse regulation, they have told be that they will not be able to continue with their farming business because the cost to transport the animals to a central facility and ship the meat back to their customers will make the business unviable and they will be forced to discontinue. I can only imagine that this will have the same impact on all of the smaller farmers in the province and will force them out of business. As such it will prevent people like myself from being able to have access to safe, humanely raised and slaughtered meat products. I urge the responsible Minister to seriously reconsider this new law in light of all of the issues. This is not good for British Columbians.

David;Jackson;--;v1b 3j7;CA;Innapropriate or over-stringent regulation is the first step in excluding small, local producers, and handing the playing field to a few semi-monopolistic international players over whom nobody has any control. Health regulators have effectively closed down the local apple juice production industry, and now Sunrype, our ex-local producers cooperative, is importing concentrate from China. Where is the health or environmental sense in that? The meat regulations are the thin end of this wedge, and it is important to rethink them carefully, before we lose control of the situation. Clearly, everything is not perfect with the status quo, but the proposed blunderbuss solution is retrograde and must be stopped to make way for intelligent debate driven by consideration of our own interests and not those who have little concern beyond their own bottom lines.

Ingrid;Belenson;--;P0P 2B0;CA;I demand my right to choose what I eat and drink. The cruelty to farm animals in these feedlots and conventional slaughterhouses has to STOP. Local food is the ONLY WAY to go !!

Steve;Elliman;--;V0E 2G0;CA;Besides taking away a required source of income for many rural folk who have supplied a safe, wholesome and often organic product for many many years, this concentrates the distibution of possible tainted food product to the large producers, packers and retailers, already often proven to be an unsafe practice. I want the option to buy my food products from who I wish.

Michael;Banfield;--;V1T 3G8;CA;This is nothing more than shameful pandering by our elected leaders to the big agribusinesses. Trying to shut down the type of small scale organic and local farming that the country continesnt and world are going to need to survive the next few decades is idiotic.

Michele;Player;--;V2V 2N6;CA;I think the government is way behind the times on this one. We should be looking to source all our food locally, including meat. Eating local supports local agriculture, ensures that we will have food when the oil supply peaks and big agri-business can no longer supply us with cheap food from far away. And every local meal eaten, strikes a blow against climate change. I thought the premier was going to try to do things to reduce BC's GHG's. This is not the way to do that. If the minister thinks that farm gate meat sales are more unsafe than meats that have gone through a large abbatoir, I think he'd better give his head a shake. Large scale abbatoirs, not the small time butchers on farms are what cause e coli outbreaks. Just ask any meat inspector - I know quite a few of them. Finally, I should say that my husband & I have been dealing with a local butchery on a local farm for the past few years now, and have found the quality exceptional. They are retiring at the end of this month - perhaps this is why. It is a great loss for the Fraser Valley, and a real backward step.

Frank;Mitchell;--;v9c 4h8;CA;Applying these new regulations to small producers is far less about protecting the health of the public than making the market larger for the big producers. There is no evidence that existing regulation of small producers (yes, they are regulated) has resulted in any health problems which will be corrected by the new regs.

Andrea;Harwood-Jones;--;V1T 4H3;CA;I just received what will be the last free range chicken order I will ever get from my farmers if this new legislation goes through. They will not be raising chickens for their clients anymore since their slaughterhouse cannot afford to do what you are asking them to do. You are effectively killing off the jobs of a lot of people in our community, and forcing us, the consumers, to either eat crap from Safeway or become vegetarians. Local food is safe food. get a grip!!!!