



September 5, 2024

Mark Cain
President
Beef Farmers of Durham Region

Dear Mark,

Re: SRM Harmonization Resolution 24-09

The following resolution was passed at the Beef Farmers of Ontario (BFO) annual general meeting in February and was recently discussed by the BFO Board of Directors:

WHEREAS, the SRM issue has been a deterrent to profitable Canadian beef production and exports;

THEREFORE, BE IT RESOLVED THAT BFO request that the Canadian Cattle Association (CCA) allocate \$1M to legally resolve the SRM harmonization issue with the U.S. within six months.

BFO would like to thank the Beef Farmers of Durham Region for submitting this resolution. We also wish to acknowledge the letter that was sent to our attention on August 3rd, requesting an update and progress report on the status of this resolution, and your request to receive quarterly updates regarding progress on this file.

Firstly, as we have stated many times previously, BFO shares your concerns regarding SRM requirements in Canada and the industry-wide desire to see our practices harmonized with the United States. For many years, BFO, other provincial cattle associations, the Canadian Meat Council (CMC), the Canadian Cattle Association (CCA), and the National Cattle Feeders' Association have pressed federal and provincial officials and elected representatives at both levels of government to address this issue.

In May of 2021, Canada's BSE risk status was upgraded from controlled to negligible, which finally paved the way to engage in meaningful discussions with Agriculture and Agri-Food Canada (AAFC), and more specifically, the Canadian Food Inspection Agency (CFIA), regarding the SRM requirements. Prior to the risk status change, the likelihood of Canada amending the SRM requirements was low. Since that time, industry groups, including BFO, have ramped up advocacy efforts in an attempt to have the federal government initiate a formalized review of our SRM removal practices with the hope they could eventually be harmonized with those in place in the United States.

Some of BFO's efforts in this regard have included motions and resolutions to the CCA Board and Animal Health and Care Committee, requests for updates from CCA and CFIA to the BFO Board, formal requests of Ministers Thompson and Flack to raise this issue with their Federal-Provincial-

Territorial (FPT) counterparts at their annual FPT meetings, and discussions with individual MPs and political staff during regular lobby days in Ottawa. Regarding the latter, SRM harmonization has been one of our top federal priorities for the last several years and as mentioned, our advocacy and attention to this issue has increased dramatically since Canada's BSE risk status was changed in the spring of 2021. This issue was formally discussed by FPT ministers of agriculture this past July in Whitehorse, Yukon.

In addition, BFO had previously requested that CCA request that the Canadian Meat Council update the estimated costs of the Canadian SRM removal requirements to support our advocacy efforts. This request was responded to as CMC updated the cost estimates in 2020, something that was last done in 2009. The updated analysis found that on average, SRM disposal costs had increased from \$128/Mt, to \$167/Mt between 2009 and 2020, that total costs for animals under thirty months of age had increased from \$4.52 to \$5.88 per head, and finally, that costs for animals over thirty months of age was now costing industry approximately \$29 per head. Overall, the updated numbers demonstrated that current SRM removal practices cost industry, on average, approximately \$31 million per year in lost value. The results of this study were shared with decision-makers at both levels of government, and continue to be used in our messaging with officials.

Aside from the updated cost study, an extensive risk assessment was recently completed by an outside firm to compare Canada's current SRM system to the system used in the United States. The assessment sought to address the following:

1. The likelihood of a susceptible animal species or human being exposed to a BSE agent under the current and proposed (U.S.) scheme
2. The likelihood of the BSE agent being recycled in the cattle population under the current and proposed scheme.
3. The likelihood of domestic or international market impacts as a result of the changed policy.
4. The likelihood of a changed policy having a negative impact on Canada's BSE negligible risk status.

I am pleased to report the study is now complete and is currently in the process of being reviewed by international experts. Once this peer review process is complete, it will be up to the Agency to determine the development of potential new regulations to support SRM policy, consult with industry and the public, and implement the changes, hopefully. This process will take additional time but our view is that industry has helped position the need for change and the risk of doing so in a manner that will hopefully lead to positive changes for the Canadian sector. BFO acknowledges the speed of this work is less than desirable but we are pleased to see progress being made. It was not that long ago we were very much less optimistic of the potential for harmonization or something close to it.

In summary, our interpretation of the risk of moving to a United States model is that the risks are very low, the economic impact is significant, the consumer impact is unknown, and to risk to our negligible risk status is low. The risk assessment study was a necessary step to support potential regulatory change.

With respect to your request to direct up to \$1 million dollars toward this pursuit, we would argue this is not a financial issue and that ultimately, progress on this file will be made based on available data and science to determine risk across a number of different areas, some of which I noted in

this letter. On this front, industry has worked hard to support that process to ensure decision-makers have access to the best data to help inform their decision on potential regulatory change.

While we will not commit to provide quarterly updates to you, we will commit to updating the Beef Farmers of Durham Region and our broader membership when meaningful progress has been made, or if additional setbacks occur. At a minimum, BFO has been updating members on this file at our AGM, summer and fall meetings for the last number of years. We will continue to provide updates at those meetings until this issue is finally resolved.

I hope this provides a sufficient response and update on the current status of the SRM harmonization issue.

Sincerely,



Craig McLaughlin
President

cc: Dale Mountjoy (Mover)
Florian Wassenaar (Advisory Councillor & Seconder)
Mary Ann Found (Secretary)
Peterborough County Cattlemen's Association
Rainy River Cattlemen's Association