

January 14, 2019

Michelle Yakimchuk
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Re: Concerns with the implementation and communication of the new SFCRs

Dear Ms. Yakimchuk:

As you know, the Canadian Federation of Independent Business (CFIB) is a non-partisan organization representing the interests of 110,000 small- and medium-sized businesses (SMEs) in Canada, including agri-food, import and export businesses. CFIB is entirely funded by our members and takes direction from them through regular surveys on a variety of issues. CFIB stays current on SMEs' concerns by taking over 100 calls from members each day and meeting with 3,000-5,000 businesses each week across Canada. CFIB believes small business owners require strong advocacy with respect to the business-related issues, including the new Safe Food for Canadians Regulations (SFCR).

We are writing to you today to outline specific concerns with the implementation and communication of the new SFCRs and offer actionable recommendations, bolded throughout this letter. We are also sharing with you some recent survey data which reveals the majority of agri-businesses are not aware of or familiar with the new regulations (see Figure 1).

While pleased that the CFIA undertook the initiative to create tools for small business owners, including guides and templates, we remain concerned the current communications materials and the options to contact CFIA are difficult to understand for small business owners, especially for those new to CFIA oversight and unfamiliar with the new regulations. As we stated in our discussions with you, CFIB foresees significant frustrations and red tape barriers for small business owners given the complexity of and their lack of familiarity with the SFCRs.

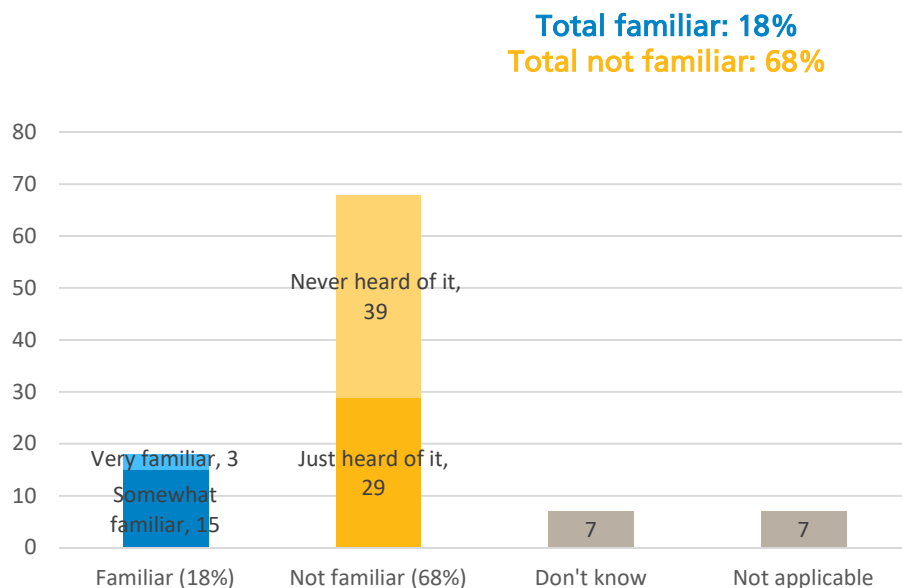
We appreciated the opportunity CFIA afforded CFIB members in offering two webinars where SMEs were given first access to registration. We were also pleased with the CFIA holding small business consultations during the design of the SFCRs and ultimately adopting some of CFIB's recommendations, including having a tiered approach for smaller businesses to need to come into compliance, and expanding the Preventive Control Plan exemptions for small businesses from businesses making \$30,000 in annual gross food income to \$100,000. While we originally asked that the threshold be moved to \$250,000 or having less than five employees, we know that this shift to \$100,000 will still help reduce the red tape burden for many small businesses.

Even with these concerted efforts, we believe the current website and materials will be confusing and unclear to business owners, as many of the materials are not effectively written from the small business perspective. In particular, the website requires significant upgrades in order to target business owners and make the content they need easier to find and understand. As you know, CFIB audited the CFIA's website in November 2018 and provided you with a document outlining specific recommendations that would improve business owners' ability to understand what regulations are relevant to them and where they can find the information they need to comply. **CFIB would like to see our recommended changes, including sections on the website dedicated to business owners (that are clearly promoted from CFIA's homepage), and updated tools that are simpler and built from the end users' perspective (business owners). We also recommend a full user experience assessment be conducted from the business owners' point of view and that it be conducted by a consultant outside of CFIA within the next six months, and results and planned actions publicly available on CFIA's website.**

In addition to this, when business owners have questions specific to compliance we have serious concerns that they will not be able to get the answers they need when they need them. The intent behind *Ask CFIA* is important, necessary and welcomed by CFIB and the small business community. However, our members' feedback regarding responses received through the service is that it is not as clear or helpful in obtaining information as it should be. The responses often direct businesses back to regulatory documents, rather than answering the questions directly. **CFIB recommends *Ask CFIA* be better branded on the website. The CFIA should also have a third party conduct a satisfaction survey among businesses who have used the service, in order to identify specific improvements required. We also recommend the CFIA look for ways to improve the responses to *Ask CFIA* users so that responses answer questions more directly, and in a clear, concise and helpful manner. For example, CFIA's use of regulatory documents should be limited as reference points and not used as the main body of the response.**

We also want to share with you our recent survey data which reveals that there is a significant lack of awareness and familiarity with the new SFCRs among business owners. Upon having a number of conversations with CFIA officials regarding the SFCRs, we determined it was necessary to ask our membership their level of awareness of the new regulations. It is concerning that a majority (68%) of agri-businesses are not aware of or familiar with the new regulations (see Figure 1). One in five (18%) have some level of familiarity, with only three per cent saying they are very familiar with the new SFCRs. These numbers are troubling given that this question was asked within two months before the new regulations come into force.

Figure 1: The Canadian Food Inspection Agency's (CFIA) new Safe Food for Canadians Regulations will come into effect on January 15, 2019. How familiar are you with these new regulations, if at all? (% response)



Source: CFIB Survey: 2018 National Agriculture Issues Survey, November 14 – December 6, 2018, 671 responses. Note: Respondents were provided the following explanation of the SFCRs: The Safe Food for Canada Regulations are a new set of regulations from the CFIA that will require businesses that import or prepare food for export (across both international and provincial borders) to have licences, expanded traceability requirements, and preventive control plans that outline steps to address potential risks to food safety.

Even for those familiar with the regulations, familiarity doesn't necessarily mean they know what the SFCRs means for their business. One CFIB member familiar with the regulations, highlighted their uncertainty: *"New Safe food for Canadians Act - we don't even have a clue as to the impact this will have or create."* In fact, the SFCRs are this members' number one issue for government to address in order to reduce red tape for their business, and they haven't even come into force yet.

Given the lack of awareness and general familiarity with the new regulations, **CFIB recommends the CFIA adopt a policy of education before enforcement.** CFIB was pleased to learn, in a January 11th email, that some measures are being taken on this front, with the CFIA planning a '[graduated enforcement](#)' of the SFCRs, which will *"emphasize working with businesses to help them understand the new requirements. Inspectors will inform food businesses where they can find the information to help them understand and comply with the regulations."* **CFIB is hopeful inspectors will be adequately trained to have the information they need to properly inform businesses of their requirements and help promote compliance. We would also like the CFIA to provide inspectors the direction that they can and should go beyond simply directing businesses to CFIA's website.** We strongly believe inspectors should be part of the compliance and awareness solution.

As part of this approach, CFIB is also pleased the CFIA has recognized that a business' lack of compliance with the new regulations may not be deliberate and instead a result of not knowing about

the new requirements. **We agree with the approach of taking into account compliance history and intent.** As we have stated on many occasions, businesses want to comply, they just need clarity around what compliance looks like and it is CFIA's responsibility to clearly lay out the expectations and inform businesses. **Additionally, we recommend that the CFIA use CFIA inspectors as an avenue for promoting Ask CFIA, and that the CFIA create a SFCRs toll free number, where businesses can call and have their questions answered.**

It is important to state that while we have been pleased to see CFIA's broad efforts to think about small businesses in the creation of the SFCRs, we remain very concerned regarding the roll-out of the regulations and the level of frustration businesses are going to have trying to understand what compliance means for them after January 15, 2019. As CFIB stated in many of our consultation submissions on the SFCRs, the most important detail is going to be how the regulations are implemented and how well CFIA's service culture is improved to treat business owners as honest brokers, and provide clear, consistent and helpful responses.

We believe the recommendations we have offered in this letter will help CFIA improve its roll out of these new regulations in a way that will work for small businesses - ensuring a successful outcome-based approach, and improve the safety of food for Canadians. With significant improvements we are still hopeful these new regulations will result in clearer regulations, fewer inconsistencies, and greater inspector accountability.

Thank you for taking the time to hear our members' views and concerns. If you have any questions in the meantime, please do not hesitate to call (306-757-0000) or email agri@cfib.ca

Sincerely,



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