

GOVERNMENT RESPONSE TO THE FIFTH REPORT OF THE STANDING COMMITTEE ON FISHERIES
AND OCEANS, ENTITLED: *TRACEABILITY AND LABELLING OF FISH
AND SEAFOOD PRODUCTS*

Minister of Health
Minister of Fisheries, Oceans and the Canadian Coast Guard

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GOVERNMENT RESPONSE TO THE FIFTH REPORT OF THE STANDING COMMITTEE ON FISHERIES AND OCEANS ENTITLED, TRACEABILITY AND LABELLING OF FISH AND SEAFOOD PRODUCTS

The Government of Canada is pleased to respond to the Fifth Report of the Standing Committee on Fisheries and Oceans (the Committee) entitled, *Traceability And Labelling Of Fish And Seafood Products* (the Report).

The Government thanks the members of the Committee, and the witnesses who appeared before it, for their insight into strengthening Canada's fish and seafood industry and their commitment to food security and consumer protection in Canada. The Government supports the broad, positive approach, and the various constructive ideas put forth by the Committee.

The Government appreciates the comprehensive recommendations developed by the Committee, and is working collaboratively with stakeholders to effectively address the challenges highlighted throughout the Report. Details are provided below regarding the Government's Response to the specific recommendations of the Committee

The Response is the product of a collaborative effort among implicated federal departments and agencies: the Canadian Food Inspection Agency (CFIA); Fisheries and Oceans Canada (DFO); Health Canada; Global Affairs Canada (GAC); Agriculture and Agri-Food Canada (AAFC); and Employment and Social Development Canada (ESDC).

The Government recognizes the importance of the Report's emphasis on ensuring a more robust regulatory system for traceability and labelling of fish and seafood products. Complete and accurate labelling and adequate traceability practices are important for food safety, for authenticating sourcing claims, and for verifying the sustainability of our fish and seafood resources. The food label is one of the most important and direct means of communicating product information between buyers and sellers. It is one of the primary means by which consumers differentiate among individual foods and brands to make informed purchasing choices. Similarly, the ability to trace the fish from the boat to the plate, adequately capturing data, and tracking movement at each stage in the supply chain, is integral to ensuring the sustainability of our resources, and to supporting industry competitiveness, market access opportunities, food safety, and consumer confidence in products sold in Canada.

RECOMMENDATION 1

That the Government of Canada implement a Canadian seafood traceability and labelling system that supports the ability of Canadians to make informed decisions when purchasing seafood, including considerations that could affect their health and the optimization and sustainability of the resource.

The Government of Canada acknowledges this recommendation. The federal government already has robust legislation and programs in place to support Canadians in making informed decisions when purchasing food, including fish and seafood products, in Canada.

Currently, the *Safe Food for Canadians Act* (SFCA) and the supporting *Safe Food for Canadians Regulations* (SFCR), enforced by the CFIA, include substantial requirements for licensing, preventive controls, traceability, and mandatory requirements for labelling food. Requirements outlined in SFCR are based on the international food tracking, labelling, and documentation standard established by Codex Alimentarius, an international commission which aims to protect the health of consumers and promote fair practices in the food trade, including fish and seafood.

Canada has traceability-specific labelling and documentation provisions in place that outline detailed requirements for most food businesses. The system supports food safety investigations and recalls by enabling consumers to identify and remove recalled food and reducing the time it takes businesses to remove unsafe food from the market.

- Traceability-specific labelling provisions require applicable food businesses to apply a label

that is attached to or accompanies the food they provide. The label must include the common name; the name and principal place of business of the person by or for whom the food was manufactured, prepared, produced, stored, packaged or labelled; and a unique identifier or lot code. For prepackaged fish imported into Canada, the name of the country of origin must be clearly identified on the label. The country of origin is the country where the last substantial transformation occurred (i.e. where that food came into being). Furthermore, the CFIA maintains robust mandatory requirements for the labelling of food, and requirements that must be followed should someone choose to make a voluntary claim, which enable purchasers to make informed decisions about the products they wish to purchase. This applies to all foods, including fish. Mandatory information includes a food's common name, the principal place of business of the person responsible for the food (e.g. the legal name under which a company operates), and for some specific foods (like prepackaged fish), the country of origin. Canadian regulations also provide for the application of voluntary information to labels, including method of production claims (e.g. catch method, harvest location, and sustainability claims). The CFIA makes guidance available on its website to help industry understand and comply with requirements associated with making voluntary claims. To further enhance the information provided to consumers, the CFIA is initiating work to enhance guidance for method of production claims, to facilitate greater use of these terms. For example, this could include updated guidance on the provision of optional "location of harvest labelling" and "sustainability claims" for companies wishing to provide this information.

- Traceability-specific documentation provisions require applicable food businesses to prepare and keep documents/records for the food they provide, to enable it to be traced one step forward and one step back – i.e., to permit the tracking of food forward to the immediate customer (excluding to consumers at retail), and back to the immediate supplier. These documents/records are required to be kept for two years. They must include the traceability-specific label information, including the name and address of the person that provided the food, and the food business they provided the food to (as applicable).

From a fisheries management perspective, numerous data must be provided to DFO; this varies by fishery. Each fishery has an "Integrated Fisheries Management Plan" which details this, and it is included with the conditions of license for each fishery as well. This includes information related to where, what, when and how fish were caught and it is provided via mandatory log books. Log books must be completed and submitted to DFO within a specified period, and the information is entered into regional fisheries management databases.

To promote the conservation and sustainable use of Canada's aquatic resources, DFO employs a comprehensive regulatory regime that includes sound science and strict licensing requirements, which are underpinned by extensive data collection and monitoring, control, and surveillance activities aimed at promoting and maintaining compliance with legislation, regulations and policies to achieve the conservation and sustainable use of Canada's aquatic resources, and the protection of species at risk, fish habitat, and oceans.

The Minister of Health's 2019 mandate letter included direction to develop a boat-to-plate traceability program "to help Canadian fishers to better market their high-quality products." Since that time, the Government of Canada has engaged various stakeholders, other levels of government, and Indigenous rights holders in the fish and seafood sector to better understand their perspectives on this commitment. This was accompanied by a broad public consultation seeking feedback on a *Discussion Paper: Boat-to-plate traceability mandate commitment*, from August 13, 2021, to December 11, 2021. The discussion paper sought feedback on three key themes, which were identified as key drivers behind the mandate commitment: (i) consumer protection and food safety (as it relates to fish and seafood); (ii) sustainability and fisheries management related to traceability and combatting global illegal, unreported, and unregulated (IUU) fishing; and (iii) market access, trade, and marketing of Canadian fish and seafood.

Overall, there was general recognition by participants that the CFIA's existing food safety traceability measures enable processing facilities in the fish and seafood sector to trace and retrieve affected fish and seafood lots effectively in the case of a food safety recall. There was

also a recognition that existing domestic DFO programs, including those to support the export of Canadian fish and seafood to countries with enhanced traceability requirements, were generally achieving their objective. While most concerns raised were minor, significant concern was expressed that some fish and fish products being imported into Canada may come from illegal or unsustainable sources. It was suggested that future improvements to traceability could have a greater import control measures built in.

In response to the recent consultations, as well as the recommendations contained in this Report, the CFIA will continue to work with DFO and other partners to determine an approach to fish and seafood traceability in Canada that meets the needs of Canadians.

Of note, the Canadian fish and seafood industry has undergone significant developments in the area of traceability and labelling over recent years. Much of this development has been driven by various consumer and market access requirements, such as catch documentation schemes or eco-labeling, a voluntary practice where companies include various symbols and logos on packaging or custom labels to indicate that products are environmentally friendly.

RECOMMENDATION 2:

That the Government of Canada implement a Canadian traceability and labelling system that will be interoperable with the European Union's system and standards to ensure full-chain traceability for fish and seafood products. This system should be mandatory, rules-based and applicable to all species, whether for import or export.

The Government of Canada acknowledges this recommendation. The Government recognizes the importance of ensuring that Canadian systems align with those of our major trading partners, and will continue to make efforts in this regard.

Both Canada and the EU are member governments of the Codex Alimentarius Commission. In line with the standard established by the Codex, the CFIA's SFCR already maintain traceability requirements— i.e., tracking of food forward to the immediate customer (excluding to consumers at retail) and back to the immediate supplier-- that apply to all food traded interprovincially, exported or imported, and sold at retail. These requirements support food safety investigations and recalls, and removal of unsafe products from the market in a timely fashion. The CFIA is actively engaged in Codex Alimentarius discussions related to potential updates to the food traceability standard. This engagement includes consultation with Canadian stakeholders to influence the development of international standards and guidelines that represent Canadian interests.

Canada will continue to work with trading partners, including the EU, to strengthen market access for the Canadian fish and seafood industry and to reduce duplication and unnecessary administrative burdens for the trade in fish and seafood products. Canada will also continue international engagement activities, including at the United Nations Food and Agricultural Organization (UN FAO), to promote consistency and, where possible, interoperability, as it relates to international trading partners' traceability systems and requirements.

RECOMMENDATION 3:

That the Government of Canada introduce regulations requiring full-chain traceability and improved labelling standards for fish and seafood products. The required labelling information should be readily accessible electronically by regulatory bodies and include: the species' scientific name, regardless of whether it is wild-caught or farmed; the catch or farm country of origin and, if applicable, processing location; and the product's harvesting or farming method. Further, the Government of Canada should introduce support to enable the Canadian industry to innovate and adopt new technology in response to enhanced traceability and labelling requirements.

The Government of Canada acknowledges recommendations to support and enable the Canadian industry to innovate and adopt technology to meet regulatory requirements and support consumer safety and confidence in fish and seafood products. The Government is

committed to making important food-related information publicly available to consumers and to enabling support for innovation and the adoption of new technology in the seafood sector.

Currently, there are regulations in place for the traceability and labelling of fish and seafood products. The SFCR maintains traceability requirements that apply to all food traded interprovincially, exported or imported, and sold at retail. Flexibility is built into Canadian regulations in order to enable industry to develop best practices and enable small businesses to comply more easily. These requirements include labelling and documentation requirements which are designed to enable the industry to meet requirements and continue to innovate. However, there are certain requirements in place that must be met by industry. For example, requests for traceability documents must be provided to the CFIA within 24 hours of the CFIA making the request, or within a shorter period of time, if the CFIA believes there is a risk of injury to human health. Similarly, traceability documents may be sent electronically, provided that they are in a single file, in plain text, and are capable of being imported into and manipulated by standard commercial software.

The current labelling rules already support the voluntary provision of additional information on food labels, provided that the information is not false or misleading. For example, it is mandatory in Canada to provide the common name of the food (i.e., the name by which the food is commonly known), unless it is otherwise prescribed by regulation – on the label. This helps to provide consumers with a familiar name for a fish – such as "salmon" on the label rather than its scientific name, *Oncorhynchus kisutch*. Scientific names of fish could be voluntarily added on the label, provided that this information is not false or misleading. This approach is not unique to fish products: other products, like tea and various herbs, are not required to be labelled with the plant species from which they are derived.

While some countries, including those in the EU, use different approaches, such as declaring a scientific name and a common name on fish and seafood labels, feedback received from Canadian stakeholders on the mandatory labelling of the scientific species names of fish and seafood, the location of the catch/ harvest, and the catch method showed no consensus. It is important to note that some fish and seafood businesses in Canada have already begun to voluntarily include additional information on product labels, including species names, and information on the catch method and location or harvesting country.

The CFIA continues to work with international trading partners and organizations, as well as domestic stakeholders, to enhance traceability and labelling requirements. There are a range of perspectives on appropriate measures that have been identified as being important for future consideration, including ongoing support for an industry-led voluntary approach. Canada is also cognizant of international developments, particularly with our trading partners, including the United States *Food Safety Modernization Act* (FSMA) changes, which could be taken into consideration as part of future regulatory planning. In addition, to further enhance the information provided to consumers, the CFIA is undertaking efforts to enhance guidance for method of production claims, and to facilitate greater use of these and other sustainability terms.

The Government already has support measures in place for the Canadian industry to innovate and adopt new technology. There are three funds:

1. The British Columbia Restoration and Innovation Fund, which provides \$142.8M over five years (2019-24), with an additional \$100M extension until 2026;
2. The Quebec Fisheries Fund, which provides \$42.8M over five years (2019-24); and
3. The Atlantic Fisheries Fund, which provides over \$400M over seven years (2017-24).

The Fisheries Funds are contribution programs intended to transform and drive innovation with a focus on developing the sector to better meet growing market demands for sustainably-sourced, high-quality fish and seafood products. Indigenous groups and companies in the regions where the Funds are located are eligible to apply. Work undertaken through the Funds includes projects that aim to enhance product quality, traceability, and marketability. In fact, the Atlantic Fisheries Fund has a stream (the Canadian Fish and Seafood Opportunities Fund, \$42.85M over five years (2018-23)) that specifically focuses on supporting the development and

implementation of marketing activities and promotions, addressing existing and emerging market access issues and responding to consumer demands, and issues related to market certification requirements, market research, and industry capacity development. On the East Coast alone, the Atlantic Fisheries Fund has invested in nearly 1000 projects, representing approved contributions of over \$263 million, aimed at the development of new, innovative technologies or processes, digital traceability projects that enable trustworthy product tracing from ocean to plate, and other adoption/adaptation of innovative technologies or processes, with the objective of improving the quality of fish and seafood products.

RECOMMENDATION 4:

That the Department of Fisheries and Oceans work with the Canadian Food Inspection Agency to review the Agency’s “Fish List”. This review should aim to provide a consistent basis for determining common names for fish and seafood. The Canadian Food Inspection Agency should also improve its DNA testing to validate the labelling of imported and domestic products, and invest in a range of inspection, audit and enforcement mechanisms to deter fraud.

The Government of Canada supports this recommendation. It is actively making material improvements to the Fish List, which provides a range of important information about the fish and seafood sold in Canada, to reduce mislabeling and improve the usability of the list. The information available to consumers to identify domestically-harvested seafood and to verify that imported products are produced following equivalent standards to those used for domestic fisheries management and sustainability, are being clarified. Updates are made to the content of the Fish List on an ongoing basis, for completeness and accuracy of information when new science-based data becomes available.

The CFIA coordinates with DFO whenever updates are needed. Since 2020, the CFIA has made three data quality updates to the list (e.g., updating the list with verified scientific information such as common names, and adding new species that are being sold in Canada), based on collaboration with DFO and outside experts, including academia and non-government organizations. The CFIA will continue to make data quality improvements based on scientific information. In planning for future improvements, the CFIA will consider updates to the guidance offered to industry on using the Fish List.

As part of the Food Policy of Canada, which provides a framework for linking Canada’s food systems, the CFIA is enhancing its work to address food misrepresentation which occurs when the information presented on the label does not match the product itself. The CFIA conducts surveillance of fish as part of its efforts to prevent, detect, and deter the prevalence of fish species substitution and mislabeling in Canada. Accurate labelling is required for all fish sold in Canada, whether domestic or imported. Targeted inspections, sampling and DNA testing of fish species, based on areas identified as high risk factors for misrepresentation, have been conducted in recent years. Where the results of the testing indicate misrepresentation, for example where the declared fish common name does not correspond to the fish species identified through testing, compliance and enforcement actions are taken.

The CFIA will continue with its targeted surveillance of fish and seafood to address high-risk areas of misrepresentation. The CFIA is also working actively to improve its DNA testing capabilities to verify for species substitution in imported and domestic products. In addition, the CFIA plans to explore expansion of its DNA database to include new sub-species of fresh and frozen tuna, for example, to detect the substitution of a lower value fish such as Bluefin for Yellowfin tuna.

RECOMMENDATION 5:

That, once the Canadian traceability and labelling system for fish and seafood products has been implemented, the Department of Fisheries and Oceans work in collaboration with other government departments and jurisdictions to develop a public service campaign to increase consumer awareness about the full boat-to-plate traceability of high-quality Canadian-caught products made possible by the new system.

The Government of Canada acknowledges this recommendation as regular communications with Canadians is a priority for the Government. Throughout the recent 2021 consultation process for boat-to-plate traceability, the Government of Canada has used proactive communications activities to connect with consumers, industry, non-governmental organizations (NGOs), provincial and territorial (P/T) counterparts, Indigenous organizations, and media on a consistent and sustained basis. This has been done through social media, web updates, news releases, and engagement with stakeholders.

As the Government of Canada enhances its policies and programs, it will continue this commitment to timely, clear, and proactive communications with Canadians to raise awareness of what is being done to help Canadian fishers better market their high-quality products and how consumers can use this information to inform their purchasing decisions.

To note, DFO also has the Canadian Fish and Seafood Opportunities Fund that provides funding (\$42.85M over five years (2018-23)) to enable industry leadership to develop and implement marketing activities and promotions.

RECOMMENDATION 6:

That the Government of Canada define and commit to a timeline and target date for implementing a Canadian seafood traceability and labelling system.

The Government of Canada acknowledges this recommendation. As outlined in the responses to the previous recommendations, Canada's existing regulatory regime (e.g., the *Fisheries Act* and the *SFCA/SFCR*) already contains traceability and labelling elements so that fish and seafood harvested in Canada is sustainably managed and safe for Canadians.

As part of the ongoing work related to the 2019 mandate commitment to develop a boat-to-plate traceability program, work is underway to explore potential improvements to existing traceability and labelling requirements. The completion of a work plan that identifies short and long-term activities is expected by the end of 2023. This work falls within the existing mandate and regulatory regime, and will further enhance and strengthen Canada's fish and seafood traceability and labelling systems.

In order to address feedback from stakeholders and the Committee's recommendations, the CFIA is exploring enhancements to existing activities that fall under its existing mandate and that would not require regulatory amendments. Changes to labelling regulatory requirements (e.g., in the *Safe Food for Canadian Regulations* or the *Food and Drug Regulations*) are not being considered at this time.

RECOMMENDATION 7:

That the Government of Canada establish an interdepartmental task force led by Fisheries and Oceans Canada, and involving key agencies, supply chain participants and other stakeholders to develop a coordinated response to fish and seafood product mislabeling and to implement full boat-to-plate traceability for all fish and seafood products harvested, farmed or sold in Canada. This task force should also consider the creation of an oversight entity to enforce the effective implementation of the Canadian traceability and labelling system and to measure progress outcomes.

The Government supports this recommendation and is committed to addressing this issue in a way that recognizes the critical importance of ensuring that the views of all stakeholders are considered in the decision-making process. The Government of Canada recognizes that this is an important issue, which touches on many stakeholders, each with their own experiences, interests and perspectives. Boat-to-plate traceability is an important conservation measure that supports an orderly and well-managed fishery and is a critical tool in the prevention of overfishing. An effective interdepartmental forum will be key to making progress on mislabeling and boat-to-plate traceability. DFO will work with partners to determine how progress can be made most quickly through an existing forum or whether to create a new standalone forum.

RECOMMENDATION 8:

That the Government of Canada develop labelling regulations to ensure full boat-to-plate traceability of imported and domestic fish and seafood products. These regulations should require that key information be paired with products along the entire supply chain using electronic records from point of catch to point of sale.

The Government of Canada acknowledges the recommendation and recognizes the importance of boat-to-plate traceability information that is readily available and accessible in electronic formats. There are already regulations in place that support traceability and labelling requirements in Canada.

Existing traceability provisions of the SFCR include labelling and documentation requirements, and the CFIA's risk-based approach enables the Agency to enforce appropriate traceability and labelling requirements, including the ability to submit electronic records.

The SFCR traceability-specific documentation requirements are intentionally flexible with respect to how they are prepared and kept. This provides flexibility, while at the same time setting clear requirements that need to be met so that the documentation received by CFIA is timely, accurate, and complete, to support food safety.

The Government's consultations undertaken on the boat-to-plate mandate letter commitment revealed that most participants find the CFIA's existing food safety traceability measures to be effective.

RECOMMENDATION 9:

That the Government of Canada implement a seafood traceability and labelling system that protects Canadian supply chains from seafood of illegal, unreported, unregulated (IUU) harvest and harvest utilizing exploited workers.

The Government acknowledges this recommendation, and recognizes that the global issue of IUU fishing is devastating to ecosystems and economies around the world and threatens the livelihoods of law-abiding fish harvesters. While Canada does not have a system in place to specifically prevent products derived from global IUU fishing operations from entering our supply chains, we are committed to ensuring the sustainable management of fisheries resources by working actively with international partners to advance this commitment worldwide.

DFO plays a lead role on the international stage in the development and implementation of several international agreements that seek to prevent IUU fishing globally, such as the 1995 United Nations Fish Stocks Agreement, the international treaty that created the framework for the development of regional fisheries management organizations to manage fish stocks in the high seas; the Port State Measures Agreement in 2019, which aims to prevent IUU fishing vessels from landing their catches in the ports of member states; and the UN FAO Voluntary Guidelines for Transshipment, which provides standards that should be used by states to strengthen their policies governing transshipment. DFO also negotiates and implements provisions within international agreements aimed at combatting IUU fishing, including agreements aimed at eliminating harmful fisheries subsidies that support IUU fishing.

Canada, represented by DFO, is a member of seven regional fisheries management organizations (RFMOs), which aim to have strong and effective management measures for high seas fisheries adopted. This includes strengthening monitoring, control, and surveillance measures that afford stricter oversight on transshipment activities, and the use of innovative traceability technologies to determine compliance (e.g., catch documentation schemes, robust and complete vessel registries and IUU fishing vessel lists, and establishing accountability mechanisms for member states whose fishing vessels violate these measures).

DFO also collaborates with international partners to conduct fisheries enforcement operations

on the high seas designed to detect and deter IUU fishing in both the Atlantic and North Pacific Oceans, such as Operation North Pacific Guard, a large-scale international enforcement operation that Canada supports through the deployment of Fishery Officers, aerial fisheries surveillance missions, and satellite surveillance support.

DFO engages in a number of collaborative projects with international partners to rapidly address IUU concerns in a number of regions. These projects have supported organizations such as Global Fishing Watch, TM Tracking, OceanMind and the International Monitoring, Control, and Surveillance Network. In the same vein, DFO also provides support for capacity building efforts in developing nations, such as the development and deployment of the cutting-edge Dark Vessel Detection program to help bolster the capacity of Ecuador and the Forum Fisheries Agency (representing 15 small island nations in the Pacific region) to tackle IUU fishing.

Canada is also a member of the High Level Panel for a Sustainable Ocean Economy, which has committed to 100% sustainable management of ocean under national jurisdiction, by 2025. A key pillar of a sustainable ocean economy revolves around Ocean Wealth, of which sustainable ocean food to support global food security is a key component. From a fisheries perspective, the goal of eliminating IUU fishing is integral to achieving the overall objectives of sustainable ocean food, and a sustainable ocean economy.

Currently, certain species and/or product types have specific requirements which must be met prior to import into Canada. These requirements may or may not be based on traceability. For example, species listed in the appendices of the Convention on International Trade in Endangered Species (CITES) require a CITES import permit issued either by Environment and Climate Change Canada (ECCC) or DFO depending on the type of permit. Other species, like toothfish or bluefin tuna, require a catch document for trade.

Furthermore, DFO is working with the United States (U.S.) to meet additional requirements related to the U.S. *Marine Mammal Protection Act* (MMPA) Import Provisions and the U.S. Seafood Import Monitoring Program (SIMP). The MMPA is concerned with ensuring marine mammal protection during fishing and aquaculture operations while SIMP is focused on trade in species-at-risk of IUU fishing. To meet the requirements of the MMPA and SIMP, specific sectors of the Canadian seafood industry will need to have additional traceability mechanisms in place by January 2023 so that the industry can certify, in accordance with MMPA requirements, that certain fish and fish products designed for export to the U.S. do not originate in a fishery (domestic or foreign) subject to U.S. import restrictions. This rule applies to re-exported products as well.

The Government of Canada is committed to addressing the complex issue of labour exploitation in global supply chains, including through advancing legislation to that end. This is reflected in the December 2021 mandate letter direction to the Minister of Labour, together with the Minister of Public Safety, the Minister of Public Services and Procurement, and the Minister of International Trade, Export Promotion, Small Business, and Economic Development, to introduce legislation to eradicate forced labour from Canadian supply chains and ensure that Canadian businesses operating abroad do not contribute to human rights abuses.

Further to this commitment, the Government published *the Labour Exploitation in Global Supply Chains: What We Heard Report* in March 2022, which provides a summary of past consultations on possible measures to address labour exploitation in supply chains. Stakeholders were invited to review the Report and share any additional feedback. Submissions have been received from a range of organizations and individuals, and the Government will continue to consider the results of consultations moving forward. Parliament is actively engaged on this matter, and there was unanimous support to have Bill S-211, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff*, studied by Committee. The Bill was introduced in the Senate in November 2021 and completed its second reading in the House of Commons in June 2022.

In addition, the Government introduced the prohibition on the importation of goods produced

in whole or in part by forced labour in July 2020, by amending the Customs Tariff and its Schedule, through the *Canada–United States–Mexico Agreement Implementation Act*; it has taken action to strengthen federal procurement practices; and launched earlier in 2022 an updated Responsible Business Conduct Strategy, which sets out priorities for the Government of Canada to support Canadian businesses active abroad to integrate leading responsible business practices into their operations, including throughout their supply chains, and to help them mitigate potential risks, no matter their size, sector or scope.

RECOMMENDATION 10:

That the Government of Canada implement a seafood traceability, labelling and certification system that protects the market value and market access of legally caught Canadian seafood and the prices that harvesters, processors, and retailers may receive for the seafood they sell.

The Government of Canada acknowledges the recommendation and recognizes the importance of a strong traceability, labelling, and certification system to protect market access and the value of fish and seafood products. There are currently a number of programs in place that help protect market value and market access of Canadian fish and seafood products.

Depending on the nature of the market access requirement (which could influence traceability requirements), DFO may be involved in providing support. In general, DFO provides support to the sector to meet sustainability-based market access requirements from other trading partners. For example, certain markets require certification so that imported products are not derived from IUU fishing operations. In those cases, DFO's Catch Certification Program (CCP) uses an electronic traceability system (the Fisheries Certificate System) to provide the required catch documentation to enable export of Canadian products into that market.

In this vein, Canada has taken several steps to promote and enable compliance with unilateral catch documentation schemes, including formalizing agreements with countries that have IUU import requirements in order to establish an agreed-upon response to their catch documentation schemes that will allow Canadian exporters to maintain market access to the EU, Japan, Ukraine, the United Kingdom and Chile.

To support the agriculture and agri-food sector, AAFC's AgriAssurance program has been allocated \$74.16 million over five years (2018-2023) to support the development and adoption of assurance systems, standards, and tools to support health, safety, and quality claims about Canadian agricultural and agri-food products. This enables industry to make credible, meaningful, and verifiable claims about its products and the manner in which they are produced. Projects funded under AgriAssurance aim to increase public confidence in the Canadian food system; respond to domestic and international market requirements; and meet consumer demand. As an example, the AgriAssurance program previously supported a national multi-species seafood traceability database and system operating in Canada.

To support market access, the CFIA has the authority to certify fish and seafood exported to other markets, as required, to demonstrate compliance with applicable aquatic animal health and food safety requirements. In addition, there are requirements and guidance for those wishing to make voluntary claims on food labels in order to facilitate informed decisions by consumers. Food businesses can voluntarily use the "Product of Canada" claim to denote significant Canadian content in a food. "Product of Canada" claims provide Canadians with greater certainty on food labels that the Canadian foods they choose have been produced by Canadians and processed in Canadian facilities.

The CFIA continues to enhance the information provided to consumers, including updating its "Product of Canada" policy to permit businesses to identify significant Canadian content on more foods.

RECOMMENDATION 11:

That, as the Government of Canada develops a seafood traceability and labelling system, it must ensure that international trade laws and Canada's treaty obligations and foreign

partners' obligations to Canada are defined and factored into the system's development.

The Government of Canada acknowledges this recommendation. The Government has established mechanisms in place and is working to see that Canadian traceability and labelling requirements for all food products, including domestic and imported fish and seafood, are applied in a manner consistent with international trade laws and Canada's treaty obligations, and are harmonized with international standards and guidelines set by Codex Alimentarius.

Canada has international trade obligations, under the World Trade Organization (WTO) Agreement and bilateral and regional free trade agreements (FTAs), that support fair and predictable trade in food. Those obligations permit Canada to adopt sanitary and phytosanitary measures – aimed at protecting human, animal, or plant life or health – so long as those measures are science-based, transparent, are not arbitrarily or unjustifiably discriminatory, and are not disguised restrictions on trade. The WTO Agreement and the FTAs also include obligations on technical barriers to trade, which require Canada to prevent any technical regulations, standards, and conformity assessment procedures from being discriminatory and are no more restrictive than necessary to meet a legitimate policy objective, such as the protection of human, animal, or plant life or health and the environment. In addition, Canada has obligations not to discriminate between Canadian and imported goods, or between different imported goods.

As Canada's authority for the certification of fish and seafood exported to other markets, the CFIA leverages the effectiveness of its traceability requirements to demonstrate equivalence with the outcomes of another country's traceability system. The CFIA strives to have Canadian requirements that are harmonized with the international standards and guidelines set by Codex Alimentarius, and to administer Canadian traceability and labelling requirements in a transparent and non-discriminatory manner, applying them equally to both fish and seafood products produced domestically and those that are imported into Canada.

The Government will continue to place emphasis on the importance of interoperability and harmonization with the systems and mechanisms implemented by trading partners by considering international instruments designed to provide guidance and standardization for the development of traceability systems. For example, the United Nations (UN) Food and Agricultural Organization's (FAO) guidelines have been referenced by trading partners in the development of their own traceability systems. Harmonization with recognized systems can lead to mutual recognition or equivalence between trading partners.

RECOMMENDATION 12:

That the Government of Canada require catch documentation to identify the origin and verify the legality of all seafood products imported nationally, in accordance with European Union requirements and Food and Agriculture Organization of the United Nations guidelines, which Canada agreed to support during the G7 summit in 2018. The federal government must also ensure that the new Canadian traceability and documentation systems are compatible with emerging global systems so as to avoid placing an additional regulatory burden on the industry or creating loopholes for illegally sourced products.

The Government acknowledges this recommendation, and recognizes the importance of ensuring that Canadian systems align with major trading partners. The Canadian seafood industry has undergone significant developments in the area of traceability over recent years. Much of this development has been driven by various market access requirements, many in the form of barriers to trade resulting from the requirements of other countries. Other incentives that have led to developments in this area are purely consumer/market driven, such as eco-labeling.

The Government of Canada recognizes the utility of market-based measures in combatting IUU in situations where a need has been demonstrated and where catch documentation schemes (CDS) are anticipated to be effective. In response to the EU IUU regulation, DFO established a Catch Certification Program (CCP) to enable the Canadian industry to be able to respond to international rules which establish market access measures as a means to prevent, deter, and

eliminate IUU fishing, and to support Canada's role in preventing, deterring, and eliminating IUU fishing. The department has also formalized agreements with other countries that have IUU import requirements, such as Japan, Ukraine and Chile. This is done by providing electronic traceability and certification services through the Fisheries Certificate System, a web-based system for Canadian exporters to apply for and retrieve catch certificates, not only for domestically harvested catches but also for re-exported fisheries products, which are products that were imported into Canada and then re-exported to another market destination. In order to comply with foreign catch documentation requirements, the Canadian exporter requires specific documents to accompany consignments and provide evidence that the product was sourced legally in the country of origin and was not intermingled with IUU products while in the Canadian supply chain. These documents include the original catch certificate, issued by the Competent Authority of the flag state where the product was harvested, as well as a Canadian re-export certificate that is linked to the previously-mentioned catch certificate through a unique document number.

While DFO has the tools necessary for Canadian industry to obtain electronic certification for their export product, DFO does not prescribe the mechanisms by which industry must physically track the products while in their custody. Industry has the flexibility to remain proactive in developing and maintaining their own tracking systems, to allow them to accurately identify and differentiate between batches of product, and to report in the Fisheries Certificate System from where the product was received and to whom it will be sold.

Requiring a Government of Canada approach for catch documentation to identify the origin and verify the legality of all seafood products imported will require considerable analysis. Analysis would, for example, be necessary to examine the costs and benefits of such an approach so that it is appropriately designed to address the pertinent issues. In doing so, Canada would need to be mindful of compatibility with other systems, and of the potential that such a system could place unnecessary regulatory burdens on our trading partners access Canada's market. This analysis will be done as part of the work to determine an approach to fish and seafood traceability in Canada that meets the needs of Canadians.

RECOMMENDATION 13:

That, as the Government of Canada develops a seafood traceability and labelling system, it must ensure the system utilizes electronic systems and software that facilitate the effective sharing of data related to fish and seafood while also ensuring sensitive information of harvesters or their businesses is secured.

The Government of Canada acknowledges this recommendation, recognizing the importance of effective and secure sharing of data, including sensitive information pertaining to fish and seafood harvesters and their businesses.

The Government is continuously exploring ways to utilize technology and enable safe, easy access and sharing of information. Currently, the SFCR allows traceability-specific documentation requirements to be flexible in how they are prepared and kept, enabling industry to meet requirements and continue to innovate. For food labelling, information for voluntary claims can be provided electronically, for example by providing a link to a website that talks about a sustainability claim.

CONCLUSION

The Government extends its gratitude to the Members of the Committee, and the witnesses that appeared before it, for their work to identify ways to address challenges and opportunities facing Canada's fish and seafood industry.

The Committee Report and the federal initiatives detailed in this response highlight the importance of the Government's role in supporting the ongoing efforts of the fish and seafood sector. The Government values its work with federal partners and other stakeholders to enhance Canada's fish and seafood traceability and labelling policies and practices, support the market access of Canadian fish and seafood products domestically and abroad, protect food

safety, and support Canadian consumers so that they have the information they need to make informed decisions about the consumption of fish and seafood products in Canada.