



ISSN 1180-4327

Legislative Assembly
of Ontario
Second Session, 37th Parliament

Assemblée législative
de l'Ontario
Deuxième session, 37^e législature

Official Report of Debates (Hansard)

Tuesday 26 February 2002

Journal des débats (Hansard)

Mardi 26 février 2002

**Standing committee on
public accounts**

2001 Annual Report,
Provincial Auditor:
Ministry of Agriculture,
Food and Rural Affairs

**Comité permanent des
comptes publics**

Rapport annuel 2001,
Vérificateur provincial :
Ministère de l'Agriculture,
de l'Alimentation
et des Affaires rurales

Chair: John Gerretsen
Clerk: Tonia Grannum

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Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
3330 Édifice Whitney ; 99, rue Wellesley ouest
Toronto ON M7A 1A2
Téléphone, 416-325-7400 ; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON PUBLIC ACCOUNTS

COMITÉ PERMANENT DES COMPTES PUBLICS

Tuesday 26 February 2002

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The committee met at 1036 in room 151, following a closed session.

2001 ANNUAL REPORT, PROVINCIAL AUDITOR MINISTRY OF AGRICULTURE, FOOD AND RURAL AFFAIRS

Consideration of section 3.01, food industry program.

The Chair (Mr John Gerretsen): I'd like to call the meeting to order. Today's hearings deal with section 3.01 of the 2001 Annual Report of the Provincial Auditor, dealing with the food industry program. I would like to welcome the delegation from the Ministry of Agriculture, Food and Rural Affairs, including its deputy minister, Frank Ingratta. Welcome, sir. Perhaps you could introduce the other members of your staff and then you will be given an opportunity to make an opening statement, to be followed by questions from members of the various caucuses. Good morning.

Dr Frank Ingratta: Good morning. Thank you, Chair. On my right, I have Don Taylor, who is the assistant deputy minister for the food industry division, the division that was reviewed by the Provincial Auditor that resulted in this report. On my left, I have Dr Tom Baker. Dr Baker is the director of the food inspection branch within the food industry division.

If I might then begin the presentation, I want to thank the public accounts committee for this opportunity to review the Provincial Auditor's report on our food industry program. As you will know, the report focused primarily on the issue of food safety. I too will focus on that issue and provide an update on our food safety system, detailing the steps the Ministry of Agriculture, Food and Rural Affairs has taken to ensure the safety of food products grown and processed in this province both prior to and during the audit process and since receiving the report of the Provincial Auditor.

The ministry's overall goal or vision is to position Ontario as an innovative world leader in responsible, sustainable and environmentally sound agriculture, food and rural development. We work in partnership with the agriculture and food sectors and Ontario's rural communities because we know that is the most effective way to move ahead, and we are making significant progress on many of the issues facing our agri-food and rural sectors.

We have, for instance, consulted extensively with farm and commodity leaders to develop a more effective risk management approach for Ontario's primary producers, which we are now negotiating with the federal government. We are delivering economic development initiatives, again developed in consultation with our partners in small-town and rural Ontario, designed to address the unique barriers to growth faced by small communities. And we have, following discussions with all sectors of Ontario's food industry, already introduced many enhancements to our food safety system and laid the groundwork for a strong, science-based approach to further improve that system in Ontario.

First and foremost, it needs to be said that Ontario's food is safe. There will always be room for improvement in any system, and we are continually enhancing our safeguards, but the fact of the matter is that Ontario is a world leader in food safety.

It also needs to be said that ensuring the safety of our food supply is a responsibility shared by many parties. We are only one, but so too are the federal government and other provincial ministries, the municipal governments, farmers, food processors, distributors, retailers and, I must add, consumers. Ultimately ensuring the safety of our food supply is everyone's responsibility.

The federal government is responsible for food processors that export their products to other provinces or countries. It also has responsibility for inspecting imported products. The province is generally responsible for goods produced and sold within Ontario.

To give you an idea of the sharing of responsibility, more than 85% of the animals slaughtered in Ontario are inspected by the federal government. In contrast, fully 80% of the milk processed in Ontario falls under provincial jurisdiction. At the municipal level, public health units are responsible for non-slaughtering meat plants, the restaurant industry and retail outlets.

The goal of our food industry program is to manage food safety risk in Ontario's food industry, to protect consumers and to enhance market access and industry competitiveness. To achieve that goal, in fiscal 2000-01, the ministry's food industry program spent a total of \$20 million, employed 110 staff, and engaged 131 inspectors on a contract basis. The ministry's total expenditure for food safety is well over \$30 million, given that other divisions within the ministry also play a role in providing

the Ontario consumer with safe, high-quality food products.

The objective of the audit conducted by the Provincial Auditor and staff was to assess whether adequate procedures were in place to ensure compliance with legislation, policies and procedures; to ensure that resources were acquired and managed with due regard for economy and efficiency; and to measure and report on the effectiveness of the food industry programs. Thus the breadth of the audit was extensive, including an examination of not only our endeavours to enhance our food safety system but also our work to improve the competitiveness of Ontario's agri-food industry, to attract new investment, to deliver our regulatory programs and to enhance market access to markets for the sector's products. We take it as a positive sign that in his final report the Provincial Auditor made very few recommendations regarding our programs and policies as they relate to enhanced competitiveness and improved market access.

I would also like to point out, as did the Provincial Auditor, that although the audit itself was conducted between October 2000 and March 2001, the report was not released until November 2001. The data gathered by the auditor and his staff do not, therefore, reflect much of what has been achieved in the last 18 months. For instance, at the time of audit we were in the process of conducting an exhaustive review of Ontario's food safety system in conjunction with the Ministry of Health and Long-Term Care and the Ministry of Natural Resources, and in consultation with our stakeholders. Among the results of that review were numerous changes to our inspection system, improvements to our information management system, and the drafting of new legislation, the Food Safety and Quality Act, 2001.

That, then, is the context of my remarks for this committee.

Let me first say that the ministry welcomed the report of the Provincial Auditor and its thorough review of our food industry program. We view it as an opportunity to further improve the efficiency and effectiveness of our programs. We are gratified that Mr Peters told us that he felt the report he was presenting to the Legislature was, on balance, a good report. Mr Peters acknowledged in his conclusions that the ministry had proactively engaged in a number of initiatives to protect consumers from food-borne contaminants and to reduce food safety risks during and following completion of his audit. The Provincial Auditor also stated that the ministry did ensure that resources were acquired and managed with due regard for economy and efficiency, and indeed noted that we have implemented a number of strategies to accomplish more with the resources allocated to us.

Mr Peters also concluded that there were certain shortcomings in our food industry program. We appreciate the auditor's insights and recommendations because they will allow us to enhance our ability to ensure Ontario consumers are provided with safe and high-quality food.

As I mentioned, in conjunction with the Ministries of Health and Long-Term Care and Natural Resources, we

conducted an extensive review of Ontario's food safety system over the last two years. This review was well underway when the Provincial Auditor started in October 2000. It is a source of pride to have the auditor confirm that we are on the right track.

Mr Peters made 32 recommendations. The ministry accepted and acted on all of them. It is worth noting that those recommendations are consistent with the improvements that we have already put in place and with those we continue to work toward. I would say "worth noting" because what is truly important in matters of food safety is the system that is in place today and the enhancements that we will make in the future. The food safety system of a year ago or two years ago or 10 years ago is significant only as a benchmark. It provides a reference point against which to measure our accomplishments. With that in mind, I'd like to speak to the food safety system currently in place in the province.

On December 5, 2001, the Food Safety and Quality Act received royal assent. This new legislation is key to addressing the Provincial Auditor's overall conclusion, which was that "the ministry needed to improve its efforts to ensure compliance with legislation, policies, and procedures by addressing weaknesses in its licensing and inspection processes." The Food Safety and Quality Act will in fact do much more than that. It allows us to put in place a science-based, seamless system that reaches from farmers' fields to the consumer's fork.

Let me explain what that means: first, a system based on science.

The Provincial Auditor pointed out that some bacterial, chemical and other recently recognized hazards to health are not readily detected by traditional inspection methods, which rely on the senses of sight, touch and smell to detect disease and contamination. While these traditional inspection methods remain essential, we are increasingly using scientific methods to complement them. That's why the ministry has increased its complement of scientists and technical support staff. We have in the last 18 months created and filled 37 positions to further enhance our food safety system. We have also adopted new technologies to sample and test food products. Specifically, we have improved our risk-based processes for random and targeted sampling for chemical residues in meat, we have completed microbiological baseline studies on hog and beef carcasses, and we have initiated on-site testing in our larger cattle and hog plants.

Of course, meat and meat products are not the only foods that we produce and consume in Ontario. We have completed risk assessments on 10 horticultural products, including sprouted seeds, lettuce, stone fruits and grapes. We are currently conducting baseline studies on fresh cider and are developing a prototype risk-monitoring program that will serve as a model for other commodities. In addition, we have enhanced the protocols to formally advise growers and retailers of fruits and vegetables of any laboratory results which indicate chemical residues above the limits set by Health Canada. Staff are

also designing a risk-based monitoring and inspection process for Ontario-grown foods of plant origin.

We are collecting immense amounts of data, which we feed into a sophisticated, computerized information management system that allows us to make more informed and more timely decisions, tracks the progress of corrective actions and alerts us to required actions. This allows us to address specific recommendations that Mr Peters made regarding the timely correction of deficiencies and ministry intervention as required.

In this area too we have already made significant advances. We have completely revised the abattoir audit system and the plant rating system and streamlined the standards of compliance. We have developed guidelines for acceptable time frames for abattoirs to take corrective action. We have in place specific criteria for the suspension of abattoir licences and the imposition of penalties.

We recognize that we need to enhance our efforts when it comes to dead stock inspection. Through a careful reallocation of resources, we were able to create and fill a new position to coordinate the dead stock inspection program. In addition, we hired a consultant to recommend a risk-based inspection program and any required changes to the legislation governing dead stock.

The ministry also completed an internal review of the raw goat milk quality program, and through the services of another consultant we are conducting a thorough audit of the raw milk quality program of the Dairy Farmers of Ontario.

The second key element of our current food safety system is that it is seamless. Through our review of Ontario's food safety system, we identified gaps and then worked with our partners at all levels of government and industry to determine the best means to address those gaps. We have refined our working relationships with industry and municipalities, with other ministries and with the federal government to more effectively coordinate our efforts to provide Ontario's consumers with food that is second to none when it comes to safety and quality.

The third key element of our food safety system here in Ontario begins on the farm and extends right through to the consumer's fork. That's an important point. The safety of our food cannot be ensured solely by licensing inspection. Let me repeat, because this is an important point and I want to take a moment to elaborate on it. The ministry has strongly been criticized for reducing the number of inspectors. On the surface that is the case, but we have not reduced the number of inspections. Any time—every time—an animal is slaughtered at an abattoir that falls under provincial jurisdiction, an inspector is there. The slightly smaller contingent of inspectors is largely the result of a more efficient, more effective use of our resources. Efficiency, by the way, was noted in the Provincial Auditor's report. It also results from advances in technology and testing that allowed us to introduce new science-based systems and protocols that complement and build on inspections. Finally, it is the result of increased efficiencies in slaughterhouses themselves and

the fact that some small meat plants have closed and some larger abattoirs have moved to federal inspection.

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The changes to our inspection system also grew out of our understanding that to truly ensure the safety of our food we must identify potential hazards at every point in the food chain and to take steps to minimize their occurrence. One way to do this is to adopt an approach known as hazard analysis and critical control points. You might often have heard the term "HACCP."

The ministry is assisting many other Ontario commodity groups and organizations to implement on-farm HACCP-based food safety systems. The dairy farmers, for instance, will have such a system in place on the province's more than 6,200 dairy farms by 2004. Ontario greenhouse vegetable growers have already implemented this type of program. The Ontario cattlemen are working to develop an on-farm food safety program known as Quality Starts Here. In many cases, the ministry is sharing the costs of developing these programs through the Healthy Futures for Ontario Agriculture initiative. To date, we have committed \$8.8 million to these and other food safety projects.

We are also working in partnership with the federal government and consumer associations to foster greater awareness among consumers of their very important role in ensuring the safety of the foods they eat. The FightBAC! program is an example of this. FightBAC! is short for "fight bacteria."

Ontario consumers can be assured that there is a minimal risk associated with food produced and processed in the province. We already have a strong track record on food safety and we are continually working to strengthen our system. Earlier I said that when it comes to food safety, what is important is where we are today and where we intend to be tomorrow. Where we were, I said, is significant in providing a point of reference.

Allow me to refer to the Provincial Auditor's report of 1991. At that time the abattoir audit system simply didn't exist. The ministry conducted little testing. We didn't collect data in any systematic fashion. Today we have an extensive sampling and testing program. Our audit system was further enhanced last year to ensure that corrective actions were implemented in a timely fashion. It was in fact that very progress that we've made in respect to our audit program and information system which allowed the Provincial Auditor and his staff to review abattoir compliance.

We acted on the 1991 auditor's report and, as a result, we have come a long way in 10 years. Ontario consumers enjoy some of the safest food in Canada. We will implement every recommendation made by the Provincial Auditor in his 2001 report, or more accurately, we have already implemented many of them and are taking action on the remaining recommendations.

Finally, in addition to guidance provided by the two Provincial Auditor reports, we are carrying out our own reviews within the ministry and in partnership with other ministries and other levels of government. The initial

recommendations of this food safety system review, as I have referred to it, were taken to cabinet in October 2000, about the same time the Provincial Auditor was starting his process. As a result of the approvals provided by cabinet at that time, we have introduced many improvements and enhancements to our food safety system.

Doing our part to ensure the safety of our food supply is, however, a work in progress. I have already referred to several studies currently underway, and we are in the process of a major review of the human resource requirements for an effective meat inspection program. Following an analysis of those findings, we will make specific recommendations to enhance an already efficient and effective system.

We have accomplished many, many good things over the last few years. We plan to accomplish many, many more in the years to come.

With those introductory comments, I turn it to you, Mr Chair.

The Chair: Thank you very much, Mr Ingratta. It's always nice and encouraging to hear that ministries welcome the involvement of the Provincial Auditor in their ministries.

With that, we start the questioning today with the members of the government, and I suggest about 20 minutes per caucus. That should take us almost to the luncheon break. Who would like to start it off? Mr Maves?

Mr Bart Maves (Niagara Falls): I had read an article at the time of the Provincial Auditor's report—and I understand there are about 230 abattoirs that we're responsible for inspecting—an article about having only eight inspectors. I know that it's a requirement that we have an inspector there any time there's a live kill or any animal is slaughtered, so obviously the math doesn't work. I read a funny article where one of the businessmen said, "I don't know how they could only have eight inspectors in the province when I have one in my facility three or four times a week." Obviously something does not jibe there. Can you explain that?

Dr Ingratta: The number eight comes from the number of full-time classified staff who perform inspections in some of the larger full-time abattoirs that exist in the province. We have a contingent of 131 contract inspectors who work in abattoirs across the province. So when that abattoir owner indicated that he had someone there all the time, as I indicated in my opening remarks, every one of the abattoirs in the province has an inspector there for both post- and ante-mortem inspection of the carcasses. Therefore the number eight is somewhat problematic in terms of describing the number of individuals employed, because in fact it's 139 who do meat inspection in this province.

Mr Maves: How long has that been the requirement in Ontario, that an inspector is there for the slaughter and—what do you call it—ante and post?

Dr Ingratta: Yes, before slaughter and after slaughter. Ontario is one of the few provinces that has mandatory inspection of all meat slaughtered in provincial

abattoirs. That's not a requirement in all abattoirs. As an outcome of the 1991 auditor's report, we moved to that mandatory inspection. That has always been the case in the federally licensed and regulated plants.

Mr Maves: So prior to 1991 it wasn't the case, but post the 1991 auditor's report that's been the case?

Dr Ingratta: Prior to 1991 we did post- and ante-mortem inspections in the majority of situations, but there were a number of exemptions prior to 1991 for a series of situations. Abattoirs weren't required to have that mandatory inspection. As part of the direction from the 1991 report and, I would say, as part of a general public policy, we did move to that mandatory inspection for all animals.

Mr Maves: The auditor has been somewhat complimentary about the steps the ministry has taken during and since his report to address some of the difficulties he uncovered. But in my reading on this, I have a little concern. I read about requirements in other provinces. Saskatchewan has a voluntary inspection; Quebec requires inspection only for plants that sell products wholesale, and more than 120 slaughter plants that retail products directly to consumers are uninspected; New Brunswick has no inspection; Nova Scotia allows farm-gate sales of uninspected meat; PEI has no ante-mortem inspection. What came to my mind is, I hope none of this meat in these situations is making its way to Ontario.

Dr Ingratta: It would be unlikely that that would happen. Interprovincial transport is governed by federal regulation and those plants that are involved in export and interprovincial trade must be inspected by the federal government. So that abattoir in Nova Scotia would not legally be able to sell their product into another province.

Mr Maves: Is it safe to say that we're, then, leaps and bounds ahead of some of the other provinces on this?

Dr Ingratta: It's safe to say that as a province we are ahead of a number of the other provinces, in addition to simply saying we have a mandatory system and therefore we're ahead. We've been very aggressive in working with our federal colleagues on developing these national standards, developing HACCP-based systems to improve the general level of food safety across the country. Staff of the ministry have not only participated in but chaired some of those federal-provincial initiatives, so it is safe to say that Ontario would take a back seat to none of the other provinces in terms of our commitment and the resources that are allocated to food inspection.

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Mr Maves: Can you address for me the comment about non-refrigerated meat, which the auditor talked about in his report, making its way down the roads on some Ontario highways, I believe, in certain trucks? Can you talk about that and what steps you've taken?

Dr Ingratta: I'll let Dr Baker comment on the details of that. Suffice it to say that we have standards that are built into our regulations that speak to a requirement of refrigerated meat. Part of our process in auditing and inspection is to make sure those standards are followed.

I'll let Dr Baker talk to the specific details of that refrigeration requirement.

Dr Tom Baker: There is a regulatory requirement that says all meat has to be shipped in a refrigerated condition. It doesn't say that vehicles have to be refrigerated, but the intent here is obviously to make sure the meat stays below the four degrees Centigrade temperature, which is how refrigeration is defined. There are situations with some of these small abattoirs that are doing local deliveries in which they can maintain the meat in that refrigerated condition during a short half-hour haul, provided there's proper insulation and so on.

You have to be careful with that regulation. It was probably intended for long-distance travelling. But the intent here—and we work closely with our colleagues at the municipal level in the health departments—is that if there's any meat arriving at a restaurant or a food service institution that is above that four degrees Centigrade, then action is taken. It doesn't say that it has to be a refrigerated vehicle; it says the meat has to be maintained in a refrigerated condition.

Mr Maves: So I could ship frozen meat from an abattoir to a restaurant or retail butcher shop on a 20-minute drive, and if it's frozen meat, then it doesn't have to be in a refrigerated truck because it's unlikely to thaw in that time period or reach that temperature.

Dr Baker: That's correct. In fact, that's a typical problem with our current regulations. One of the reasons we were very anxious to get a new Food Safety and Quality Act in place is that we want to have regulations that are outcome-based, and this is a classic example. The outcome we want here is to make sure the meat doesn't get to a temperature that bacteria could start to grow, so we'd want to keep it below four degrees.

There are many ways of achieving that without having a large semi-trailer with a reefer on it. There may be situations—as you say, in a 20-minute delivery—where that just is not necessary.

Mr Maves: OK. The Dairy Farmers of Ontario assumed responsibility for cow's milk in 1998. The auditor has said that he reviewed the activities of DFO and found an adequate inspection process for raw cow's milk had been established. What is the relationship between the ministry and the DFO to ensure that that process continues to get high marks?

Dr Ingratta: There are two processes that I would comment on. First, in transferring that responsibility in 1998 to the dairy farmers, the ministry provided a financial consideration to ensure that the Dairy Farmers of Ontario were able to hire staff with the appropriate training and qualifications in order to do the appropriate inspections. So the ministry has financially supported that transfer of responsibility.

In addition, we have hired a consultant, and the activity is currently underway to do an official audit of the program. The Provincial Auditor looked at the program and found it generally acceptable, but did make the point that in having the overall responsibility for food milk safety in the province, the province should conduct

a formal audit of the program. We have that underway at this time.

Mr Maves: Just as a question to the auditor: I asked the question about the transfer of meat in unrefrigerated trucks that had been a kind of highlight of the report and had received a lot of media attention. Are you satisfied with the explanation that meat can be transferred safely to local butcher shops and that the crux of the matter is not reaching a certain temperature? Or have you got concerns beyond the answer to the question I've posed here?

Mr Erik Peters: I think certainly the answer is going in the right direction, if it can be established that it's satisfactory that the meat itself retains its temperature for the short distance. It is a concern, though, that when we looked at it, the inspection in that particular area could be stepped up or action could be taken to have the producer ensure that this meat temperature is maintained in all cases. We certainly will follow up on this, as to what procedures have been put in place, in two years' time when we look at it.

Mr Maves: As a practice, the logic is that the meat has to stay below a certain temperature. In your report, when you reported that meat was going down the highway in unrefrigerated trucks, how often was it the case that it was a local delivery and frozen meat? Was that the instance, or are there other instances?

Mr Gerard Fitzmaurice: The concern we brought out was as an example of some of the critical deficiencies that ministry inspectors had highlighted. It is just used as an example. We did not observe trucks going down the highway with unrefrigerated—so they have a number of what they call critical deficiencies, and there are several hundred of them. The annual inspection done by the ministry's veterinary auditors lists the ones that are critical. That's just an example of one that's critical. We could have selected a number of other examples.

But it is not we who have determined that this is a problem. It's the ministry's inspectors who have determined that it's a problem. If in that circumstance, let's say, they put ice in the truck to keep it cold, then what would be called a critical deficiency has been mitigated by some other circumstance. From our point of view, that would be acceptable, but we're not the ones making that determination. It's the ministry's own staff who are doing it.

Dr Ingratta: If I might, I know I'm supposed to respond to questions, but I think the important point has been raised here around the definition of "critical deficiency." The ideal situation is the reefer truck that Dr Baker talked about. But as has been pointed out, if there is a process in place to ensure that the outcome we want to achieve is made possible, then we have mitigated the critical deficiency.

So simply to check off and say there is a critical deficiency, without the follow-up that suggests the critical deficiency has been dealt with so that we don't have a negative outcome, is perhaps not telling the complete story.

I think it's important to know that when we talk about critical deficiencies, they can be mitigated. If I could, I want to take this opportunity to say that when we identify critical food safety situations that are not mitigated, then I believe the movement is fairly quick and swift to stop that practice and in fact go as far as stopping the slaughter of animals in that abattoir until that deficiency is dealt with. So it becomes in a sense some clarification of the words that are used.

The Chair: Mr Hastings.

Mr John Hastings (Etobicoke North): Mr Ingratta, thank you for coming here with your staff today. Some critics, wherever they come from, contend that the only way you can deal with critical deficiencies, make improvements in food inspection, is to have more people. You have to have more inspectors at every plant every nanosecond of every day.

You said in your opening statement that you're able to undertake a comprehensive food inspection program, especially with the meat handling, with fewer people but more resources in the area of technology. So my question would be, what is the appropriate mix of good management, leadership, certification, ongoing training of inspectors, technology planning and coordination with the CFIA so that you're covering all this and answering this general contention that's out there that if you don't have a person at every place every moment of every day, there's a problem?

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Dr Ingratta: There are a number of issues in your question. Let me start by saying that as the system currently exists, we do have a person there. You asked further to that, though, what's the appropriate mix? I've talked about technological enhancements to the system; I've talked about HACCP programs. We no doubt are moving in that direction.

First let me talk about technical enhancements. Going from an old system of hand recording, paper recording of the inspections and the audits, we have developed a computer-based food safety support system that allows for the electronic transfer and input of that information. Where that really provides assistance is that there's a much quicker turnaround time. If a deficiency is noted, an area manager can move into that situation and provide some further oversight in addition to the inspector. So technology in that regard has helped us considerably.

I think the important thing, and I made this point in my introductory comments, is that as a ministry and as part of our food system review, we've hired a number of additional staff over and above the individual at the line doing the inspection. We've done that because we see the need to deal with some of these increasingly important factors, other than the ones you can see and touch. We've done that. We've hired scientists so we can develop programs that can more effectively deal with potential microbial contamination, knowing what levels of certain organisms on carcasses might be and the impact that those might have. So we've brought in place another whole series of technology people to bring us to this new

level of inspection and investigation, 37 additional staff to work in that area, to help develop some of the protocols and the standards that will take us into the future.

You've also asked for the balance with, if you will, leadership and working with the CFIA. We've been, as I said, very active in working with federal-provincial committees to develop HACCP standards across the country. As a province, we've taken that leadership role. We have in place a number of additional area managers to provide that leadership oversight to that contingent of 139 inspectors, to ensure that those inspectors have both the appropriate management support and technical support, with veterinarians available to those inspectors. So I think we have the balance in the system of having people on-site doing that visual observation, complemented with these other technologies.

The Chair: You've got two minutes left.

Mr Raminder Gill (Bramalea-Gore-Malton-Springdale): Once again, thank you for being here this morning.

In your comparisons, I'm sure you deal with other ministries in terms of other provinces. I think it came up this morning—Mr Chudleigh brought it up—that perhaps one of the provinces doesn't have any standards per se, or inspectors, that being New Brunswick. Do you want to shed some light on that? Does that mean the food over there is not safe for human consumption?

Dr Ingratta: I think we need to be clear that we're focusing our comments this morning on abattoirs. The abattoirs in New Brunswick that are involved in international trade or interprovincial trade would be inspected by the Canadian Food Inspection Agency. For the abattoirs that provide local supply to local stores, and all the trade takes place within the province, there is not a mandatory inspection of those animals.

When I talked about the continuum of involvement within the food safety system, it goes to the issue that an inspection itself doesn't guarantee a safe food system. Having food produced in a safe fashion, ensuring that the regulations that control the amount of pesticides that are used in crops and the additives that might be used in animal production, having in place that series of regulations and standards goes a long way to ensuring that the food that goes through that abattoir is safe from the beginning.

What we need to ensure is that the following processes also have critical control points to make sure that food continues to be safe, that the food doesn't exceed four degrees Celsius in transport. Those are the types of steps that one needs to have in place. Simply because New Brunswick doesn't have a mandatory inspection of their provincial abattoirs doesn't necessarily suggest their food is unsafe. I'm sure it does give the broader population some comfort, though, knowing that every carcass in Ontario is inspected by a trained individual. I can't speak for the people of New Brunswick and how comfortable or uncomfortable they may be, but I think it also speaks to having a safe food production system as part of that continuum.

The Chair: Thank you very much. We'll get back in the next round. Mr Peters.

Mr Steve Peters (Elgin-Middlesex-London): We've heard earlier from the auditor and from yourself now, Mr Ingratta, about Bill 87, the Food Safety and Quality Act, and how, as the auditor pointed out earlier, it fills some gaps. You said that it's key to improvement. We can have the best legislation in the world and regulations to go along with it, but what assurances can you give to us here at this committee and to the people of Ontario that adequate resources are going to be put at the disposal of those people responsible for enforcement and implementation of the new act and regulations?

Dr Ingratta: I would look at what has transpired. In my introductory comments I talked about what we've done in the last 10 years. If we look at what we've done in the last two years, specifically, as a ministry we have continued to look at where gaps may exist. We've been very open as part of that Food Safety and Quality Act that we identified some gaps and we're moving to fill those. I talked about 37 new staff being put in place to deal with some of the technical requirements of a new and improved food safety system. When I look at what we've achieved, I use that as a basis of providing some level of support to the context that, yes, it is a priority. We have identified issues and, on a priority basis, we have put resources in place to deal with those.

It may be terse to say I'm looking at our track record and saying we have provided the resources and it continues to be a priority. The expectation is that we will continue to resource this priority area.

Mr Steve Peters: On page 29, the ministry responded, and you made reference to it earlier, to the enhanced human resource strategy for meat inspection. Has that enhance HR strategy been completed, or is it ongoing?

Dr Ingratta: That strategy is ongoing. Specifically to that strategy, a focus of that strategy is to look at, if you will, the new expertise that is required. As we become more involved in doing sampling, microbiological sampling, that type of thing, an expertise is required that's different from the old inspection system. So right now we have a balance of the old system and we're looking at the expertise that's required as part of the enhanced system. That's the type of thing that study is looking at: what are the skills and the knowledge that will be required, not only with the existing system but with the new system?

The report has not been completed. When it is, we want to take the consultant's recommendations and ensure that we continue to meet those improvements.

1120

Mr Steve Peters: How much money has the province saved by hiring 130 contract employees?

Dr Ingratta: The expenditures that we make in the food safety program, the meat inspection program, have actually increased. The 131 contract inspectors are part of that annual allocation.

Mr Steve Peters: What's the turnover rate of the contract inspectors?

Dr Ingratta: The turnover rate would be considered high, relative to the average turnover rate within the ministry. If you do comparisons, it's probably not as high as a number of other industries, but the turnover rate is significant.

There are a number of reasons for that turnover rate, including a number of our inspectors finding full-time employment. Many of those inspectors are part-time employees. They find, on occasion, full-time employment in federally registered plants. So there are other opportunities.

I want to add, as part of that, the reason they find employment in those federal facilities is that we believe we have a strong training and development program for those inspectors. We hire the best available people through a competitive process and then we put them through a defined training process. So after the six months of training that they're involved in, they are at a higher level. We need that in our inspectors but it also becomes, if you will, a marketable commodity.

Mr Steve Peters: It concerns me that you use the words that they're "high" and "significant" and it bothers me that we're training somebody and then somebody else is cherry-picking them from us. I'm concerned that with this high turnover that you've acknowledged exists, we may not have the best-trained people on the ground doing work on our behalf, that we're constantly getting entry-level individuals and we don't have good, long-term consistency within our inspectors.

Dr Ingratta: In addition to addressing the new expertise, the skills and knowledge that will be required, the human resources report will be addressing the exact issue that you deal with.

It's true that there's a cost to training and development, an investment in training and development. It would be beneficial if those people we train and develop had a longer-term employment contract, employment period, with us. But they're not indentured. They do have the freedom to move to other positions.

So the point you raise is a concern and it is an issue that is being addressed as part of that human resources review.

Mr Steve Peters: Perhaps, if we didn't have 130 contract employees and started to look at having full-time positions, those individuals wouldn't be jumping ship from us here in Ontario and would remain committed to Ontario's food industry.

Do the contract employees work for anyone else? Are they contracted to work for us, the province, or are they potentially working for a retailer or an abattoir as well? Is there any potential of a conflict of interest there?

Dr Ingratta: A number of the contract employees are part-time, so there is potential that they have additional employment beyond this contract. The issue of whether we restrict their employment with a food retailer, I'm going to ask Dr Baker if he could comment on that.

Dr Baker: They certainly are not allowed to work for an enterprise that they're inspecting, but they may have

part-time employment on a farm or perhaps a retail store in a city or something. That's not unlikely.

Mr Steve Peters: It has come to my attention that there was a contract inspector fired for refusing to cross-contaminate a poultry plant with campylobacter. Is firing a contract employee for doing the right thing part of an enhanced human resource strategy?

Dr Ingratta: Without the details of the example that you're using, I think it would be inappropriate to comment on whether the individual was fired for that specific reason or another reason. There have been contract employees who have been terminated. Not all of the employees complete all the requirements of the position. So without the details of that situation, I think it would be unwise to comment further.

Mr Steve Peters: It also has come to my attention that many of the contract inspectors have been taken to task because they have levelled charges or identified deficiencies in particular plants. But then they've been taken to task because they've been lodging too many complaints or the ministry has been receiving complaints from those plants. I think this is another point of having contract employees, that when you don't have anybody right behind you and backing you 100%, there's a sense, some concern, that they're afraid to inspect or condemn too often because they're going to be reprimanded for that. Any comments on that?

Dr Ingratta: I don't believe there's been a situation where an employee or a contractor has been reprimanded for too many carcasses being condemned. You raise two different points in your comment. I think you were suggesting, and correct me if I'm wrong, that as a contract person they felt uncomfortable in raising the issue, and in the following paragraph you've suggested that they were raising too many issues. So I'm a little bit at a loss on how to deal with your question.

We put in place a training program. We provide back-up, both management backup and technical backup, to the individuals so that they can do their job to the best of their abilities. I believe there are no standards that suggest that you need to—if you will, the old story about the number of speeding tickets that an officer may need to accumulate in a day. There is no minimum number or maximum number of carcasses or percentages that would be detained. So the suggestion that they are being put upon because they may detain more carcasses, I would have to see that as a matter of fact. I have not seen it in the past.

Mr Steve Peters: Regarding grading at packing plants, what safeguards are in place to ensure an impartiality of the grading?

Dr Ingratta: Grading or inspecting?

Mr Steve Peters: Grading.

Dr Ingratta: Grading is done by the Canadian Food Inspection Agency. They have that responsibility and we contract with them to provide that grading function.

Mr Steve Peters: In the auditor's report there's a number—you just talked about the enhanced HR strategy. For example, in the animal disposal industry,

you go on to say in your response that the ministry is in the process of contracting with a consultant to evaluate risks and make recommendations on further program enhancements. When will we be hearing the results of the work of that consultant?

Dr Ingratta: Dr Baker, if you could tell me when that report is due; I think it is certainly due this year.

1130

Dr Baker: I believe that it's due to be completed at the end of March.

Mr Steve Peters: Under "Dairy Licensing" etc, in the ministry's response it talks about a raw milk quality program and legislation by March 2002. You go on to say further that the goats' milk quality program is under review and that the ministry is going to be in a position to determine program requirements and report back to Management Board of Cabinet by spring 2002. Will we be seeing this legislation in this term, and has a report gone to Management Board yet?

Dr Ingratta: We're talking about the new act that was passed in December 2001, so we're talking about regulations under that act. One of the benefits of the Food Quality and Safety Act is that we will be able to prescribe specific standards for goat milk. I think one of the difficulties in the auditor's report is that when it spoke to goat milk exceeding standards, they are essentially cow milk standards. They are different animals, and to use the same standards for both animals is one of the gaps, and that's why we're developing a new set of standards for goat milk.

I want to make one additional point in that area. The deficiencies that were identified were with raw goat milk, that is, milk before it is pasteurized, and there is no evidence that either goat milk or certainly cow milk is a food safety issue post-pasteurization. Going back to the issue of food safety and a set of standards, that is on the raw product, not on the pasteurized product.

Mr Steve Peters: How much time do I have left, Mr Chair?

The Chair: About four more minutes.

Mr Steve Peters: In the auditor's report under "Horticulture Monitoring," you talk about a reorganization within the ministry that allows for increased and more timely advisory and follow-up activities. That reorganization, I take it, has been completed. How has that been received by the industry?

Dr Ingratta: The restructuring has been completed. The Provincial Auditor's report specifically talks to a feedback mechanism once any samples are identified that might be in excess of standards. That process is in place. When samples are identified, in addition to inspection or regulatory staff, a member of our advisory extension technology transfer staff would work directly with the individual producer to find the cause of that exceptional result. So it's simply not, "You've exceeded the standard; here is a penalty." It is a process of education. My sense is that the industry has accepted that in a fairly positive way.

Mr Steve Peters: You go on to say in the same paragraph, in the ministry's response, that resources have been committed "to the design of a risk-based monitoring and inspection process for Ontario-grown foods of plant origin," and you say it's underway. When will that be completed?

Dr Ingratta: The risk management for materials of plant origin is an important area. Everyone naturally assumes that meat and dairy products have a risk associated with them. That's an inappropriate assumption, but there is a sense that there is more concern in that area. In the area of products of plant origin, as new information is generated internationally on potential sources of contamination and potential organisms, we have moved to put in place a system for monitoring that. We have a number of fruit and vegetable commodities that we've done baseline studies for now as part of the regulations that will become part of the Food Safety and Quality Act. Based on those baseline studies, we will be able to put in regulations that deal with those potential other sources of contamination.

We are building those regulations over time. We are working with products that are seen to be at higher risk. For example, seed sprouts are seen to be at higher risk than apples because of the method by which they are grown. So we are focusing on a commodity-by-commodity basis and identifying those with higher potential risk.

Mr Steve Peters: Under "Program Coordination," you say that inspection protocols are going to be developed. Have those protocols been developed, or when will we see those?

Dr Ingratta: Not all of those protocols have been developed. We are actively working on developing those. As I said, depending on the commodity, some of those protocols will be available this year. Ontario has the great fortune of being able to produce well over 200 different agricultural commodities. We can't deal with all of them in the first year, but we are dealing with those with potentially higher risk. We will have those protocols for the higher risks in place this year.

Mr Steve Peters: Under "Measuring and Reporting on Program Effectiveness," again you talk about how there is a consultant working with the ministry to develop the methodology etc, and the ministry is scheduled to report to Management Board on this initiative in the spring of 2002. Has that happened yet?

Dr Ingratta: No, it has not.

Mr Steve Peters: Just a comment: there are a number of issues that you've responded to in the auditor's report, and I appreciate the responses. It appears, though, there is a lot of ongoing work; just that last point, to report to cabinet. When will all of your responses be complete and implemented? Are we looking at these being completed this year, or are we looking one year or two years down the road?

Dr Ingratta: On the point you make, I want to refer back to my introductory comments. The food safety system is one that continues to grow and evolve and, I

believe, improve. I made the statement that we're a lot better than we were 10 years ago and considerably better than 30 years ago. The system will continue to evolve and improve.

A number of the recommendations—I believe about a third of them—have already been completed. Some of the others are longer-term. You remember that I spoke about the dairy farmers wanting to put in place a HACCP program on farm. In order for all 6,200 dairy farms to have that HACCP system in place on farm, they are expecting that won't happen until 2004. So for me to tell you that the 32nd recommendation will be completed by a specific time, it's not possible for me to do that. I can say that every one of those recommendations has underway a process to achieve those recommendations. The majority of them will be complete within the next 18 months, but not all.

The Chair: We'll have to leave it at that for now.

Ms Shelley Martel (Nickel Belt): Thank you, Deputy and staff, for being here today.

Deputy, you said through your remarks a couple of times that what's important is the system that we have in place today, and you want to focus on that. I think, however, that it was as a result of the audit and a number of deficiencies noted that the ministry was forced to make the changes that it did, which get us to the system we have today. So I do want to focus on some of the observations that the auditor made in his audit, and I want to deal with abattoirs first.

You said that meat inspectors were in abattoirs every single day of slaughter and also that the ministry has not reduced the number of inspections. I think it is true that there were meat inspectors in abattoirs every single day of slaughter before the audit as well, and the auditor confirmed that earlier this morning. So for me that begs the question of why the auditor found so many problems when he inspected abattoirs, and I think there are just a couple to highlight.

They include that "Deficiencies rated as critical were noted during the annual licensing audit of every abattoir that we sampled," and, "The ministry had no specific criteria for determining when to suspend licences or impose penalties.

"Meetings with abattoir officials to establish corrective action plans were not held on a timely basis." Some of these meetings took place 110 days after the audit was complete. Or, for example, "In our sample, we noted that 40% of the critical deficiencies reported during annual licensing audits had not been rectified by the agreed-upon dates.... In addition, almost one third of these critical deficiencies reported during 2000 annual audits reoccurred" in 2001.

He went on to comment that inspectors were supposed to take corrective action, in many cases they didn't, and also that the ministry didn't have a procedure in place to ensure that lab test results related to the random sampling of meat from abattoirs were followed up on a timely basis to resolve problems.

So if you had inspectors in there every single day of the slaughter, how come the auditor noted so many problems?

1140

Dr Ingratta: Let me first start with your opening comment, that if we have an improved system today it's because of pressure that has been brought to bear by the Provincial Auditor's report. I think it's fair to say—and I hope I emphasized it several times in my introductory comments—that the recommendations that the Provincial Auditor has put in place, we're moving on all of them because they fit very well with the work that we had in place prior to the Provincial Auditor's report. So to simply suggest that we are only doing this as a result of pressure brought to bear by the Provincial Auditor's report I think would not be entirely correct. We have a system where we continue to look for improvements. The system is acknowledged not to be perfect, and we continue to look at improvements. We are thankful that the Provincial Auditor provided his insights to help us continue to move in that direction. So I apologize for taking some time on this issue. It's not simply because the Provincial Auditor said, "You're doing things wrong," that we made changes. That process has been underway for some time.

I want to go back to your other point, talking about critical deficiencies. In the audit of the facility there's a whole range of factors that are looked at. First among them are issues that may in fact impact on the safety of the product that is being produced by that abattoir. If there is a factor that is identified that would potentially cause a safety problem, that's dealt with immediately or in the very short term; 110 days is not a time frame in which something of that nature would be dealt with.

If, for another example, the paint is peeling on the wall, the abattoir may be given a bit more time to correct that deficiency. The standards that are in place in the abattoirs are really quite extensive, and I don't think you could have not noticed Dr Baker bringing in with him some documentation. In that pile of documentation is a very long set of standards that the abattoirs are required to adhere to. So they are provided additional time to correct a number of those deficiencies. The ones that impact on food safety are dealt with more expeditiously.

Ms Martel: If I might return to this, Deputy, it wasn't me who was using the word "critical." I gather it was the ministry inspectors and I gather they have some standards that they need to apply in order to determine that something is critical. The auditor noted that deficiencies rated as critical were noted in every abattoir that they sampled and that 40% of them were not dealt with by agreed-upon dates and almost a third of them reoccurred in the second audit. So it's not my term, "critical." It's your staff who are noting that as critical. Are you trying to tell us that in fact everything the auditor noted, or the majority of what the auditor noted, were not critical deficiencies, were not urgent, did not affect food safety?

Dr Ingratta: I am suggesting to you that the term "critical"—and yes, you're right, it's a term that we use

within the ministry. The auditor's report certainly referred to it. As we were suggesting earlier with the refrigeration, it's critical that the product be held at less than four degrees Celsius. How one achieves that or how one mitigates the situation to ensure that happens, there are a number of different avenues to allow that to happen.

Yes, we use the term "critical" and yes, it's true that all the critical deficiencies that were identified—and when you talk in the 40% and when you talk in every one of those abattoirs, a significant number of those critical deficiencies would not directly be related to food safety.

I say that as clearly and unequivocally as I can. If it is a critical deficiency dealing with food safety, it is dealt with expeditiously.

Ms Martel: So you can, as much as possible, give us a guarantee that what the auditor noted was not critical in terms of impact on food safety?

Dr Ingratta: What the auditor noted—again I would refer to the fact that he used our audits, our documentation to identify those items. I can support my statement that if it were a critical food safety item, it was dealt with expeditiously. I can repeat that and I will repeat that. In the 40% number, a number of them would not be related to food safety.

Mr Don Taylor: Maybe I could just add, in terms of the timing of the follow-up, which was a key piece that you referred to and that the audit report referred to, that we in fact, as a result of that recommendation and other studies we've done, have put in place a new set of guidelines with respect to follow-up. These came out of the audit. As Dr Ingratta mentioned, any critical issues are immediately discussed and dealt with between the auditor and the plant owner, and then basically a schedule is put in place for correcting the remaining deficiencies. That schedule is in the system that we're operating now, based upon the overall grade of the abattoir.

If this is an AAA abattoir and this is a minor issue, there may be four weeks provided to respond to it. If it's an abattoir that has many more deficiencies noted, we would be looking for follow-up in a much more timely manner.

Ms Martel: In terms of the follow-up, you said that inspectors are now required to follow up on corrective action and that managers have a responsibility, as part of their performance review, to guarantee that. Yet I noted that the auditor said, previous to that, that it would be management staff who would give direction to the inspectors in terms of follow-up. So why was there such a gap between what was happening on follow-up before and what I presume is the case now?

Dr Ingratta: That is one of the recommendations from the auditor that we have taken in terms of pursuing a more aggressive follow-up action. We have revamped the audit system in the provincial abattoirs to ensure that the audit is done more aggressively and the follow-up is pursued more aggressively than was the case in the past. We take the auditor's advice that we need to pursue that with more haste.

Mr Taylor: Part of that aggressiveness, I should just add, is that there is some technology brought to bear in this. We are now able to put scheduling into the state-of-the-art computer system that Dr Ingratta referred to earlier, so the results of the audit report can be put into that in terms of a number of items that the inspector who is there every day can be monitoring and following up on.

Ms Martel: Correct me if I'm wrong: was the computer system not in place before the audit?

Mr Taylor: The computer system was initiated, I believe, in 1999, so the computer system has been enhanced and has been used to apply to more functions of the food safety inspection process ever since then. So although the system was in place, the system of work scheduling wasn't in place as completely as it is today, which is partially a result of the auditor's recommendation that something like that needed to be done.

Ms Martel: So it's monitored and surveyed more than it was before.

Mr Taylor: Yes. The system has been improved.

Ms Martel: In terms of the horticultural industry, the auditor noted that in your 2000 testing, you noted a number of instances where pesticide use was significantly high, in some cases 80%. By March, the end of the audit, there had not been a formal letter sent to those producers who might be affected to advise them of that. I noted in your response that that actually didn't occur until July 2001, which would have affected a second growing season. Given that the auditor had identified that problem even before the audit was finished in March, why did it take until July for your ministry to formally notify growers that they might be one of the producers impacted and that they should look more closely at their use of pesticides?

1150

Dr Ingratta: The samples were used as part of, if you will, a background research project. So it wasn't a formal process of identifying and then corresponding with the producer. That was an error. We have corrected that. We have now put in place a process where any sample, whether it's a research sample or one that is part of a baseline study—once that sample has been identified to have a level in excess of any standard, the individual is contacted. The tardiness was an error.

Ms Martel: Deputy, have you increased your level of sampling? Because it was also a concern of the auditor that he didn't feel it was a broad enough base of samples to really look at contaminant problems.

Dr Ingratta: Specifically in the area of fruits and vegetables?

Ms Martel: Yes.

Dr Ingratta: Yes. I mentioned a number of baseline studies that we're doing. It has not been, neither in this jurisdiction nor many others, a normal process to do those microbiological samplings of fruits and vegetables. They have traditionally not been seen to be a high-risk area. As part of our enhancements to the system, we have decided to do a number of baseline studies. As part of those baseline studies, we are doing considerably more

testing and analysis. Those baseline studies hopefully will develop a scientific or science-based baseline in order to put in place regulations in the future that will allow us to do that sampling with regularity, and within a set of guidelines and a protocol. So yes, we are doing more. We've done baseline studies for 10 horticultural commodities at this point, and we will do more.

Ms Martel: Do you need to hire more staff to do that?

Dr Ingratta: The analysis is done by a laboratory outside of the ministry, as part of the University of Guelph. We contract with the University of Guelph and other laboratories do that analytical work. In terms of reporting the results and working with producers who might have excessive samples, that work is done by existing staff within the ministry.

Ms Martel: Just one further question. Do you have to increase your allocation in order to have Guelph do the contract for increased testing? Is that an increased expenditure?

Dr Ingratta: That's a part of the allocation that we've gotten with the first-level review of the food safety review that we talked about earlier. So the allocation was made available to do those analyses and to do those consultant reports that we've talked about.

Ms Martel: I wanted to actually go near the end of the report. The auditor noted that your ministry was in the process of evaluating the economy and efficiency of your in-house inspection service versus the fee-for-service inspection system. This caught my attention. I wonder what provoked such a review, and is it complete?

Dr Ingratta: The stimulus for that review, I think, would go back to the 1991 auditor's report, which suggested that we examine that as a possible mechanism for the more efficient allocation of resources. Again, it goes back to these 200-plus abattoirs. Not all of them are operating every day of the week. In fact, some of them only operate half a day of any particular week. Allocating a part-time resource to that inspection was seen to be significantly more efficient rather than having that same person move about the province to three, four, five or six other abattoirs. So part of the stimulus for that goes back to the 1991 auditor's report, to look at that mechanism as a cost-efficiency.

Ms Martel: I'm confused, because I assumed what it was talking about was whether you had private sector—that is, contract fee-for-service—inspectors doing the work, or in-house ministry staff. I say that because the auditor said, "The ministry had also performed an outsourcing initiative in 1995, which resulted in the replacement of ministry inspection staff with a more economical fee-for-service system. The ministry is currently evaluating the economy and efficiency of the in-house versus fee-for-service inspection systems." So I didn't think it had to do with part-time as much as it had to do with, did it make sense to continue with private sector inspection or should you go back to having in-house ministry staff? Is that the nature of the review?

Dr Ingratta: I apologize for misinterpreting your question. That's part of the human resources review that

we've talked about. Certainly we continue to evaluate. I don't think there's a question of the quality of inspection that is done by an in-house inspector versus a contract inspector. I don't think that's an issue that is being debated.

The question is, if we have eight full-time staff who are inspectors, they work in abattoirs that are operating full-time. Have other abattoirs since then expanded to become full-time? Is there opportunity to move from a part-time inspector or perhaps two part-time inspectors working in that larger plant and replace that individual with a full-time individual dedicated to that plant? That's the type of review that is part of the human resource review. In addition to looking at the new skills and knowledge that's required, we're looking at the balance.

Ms Martel: But you could have part-time public sector staff too. That's your other choice, right?

Dr Ingratta: That would be a possibility.

Ms Martel: Is that what you're looking at?

Dr Ingratta: That would be part of the review, yes.

Ms Martel: It's not clear to me what is prompting this, because it was 1995 when that outsourcing initiative occurred, and a couple of years later we're looking at the possibility, and you can correct me if I'm wrong, of actually reversing that decision. Is that true?

Dr Ingratta: I wouldn't say "reversing" the decision. I would say there isn't an organization that doesn't continue to review their operations. If they don't, they obviously run the risk of falling behind what's appropriate.

Is the system we have today the system we need tomorrow? That's part of the review. Where we would continue to use contract inspectors and where we might be better served through efficiency to use full-time ministry employees is part of the review. So when you suggest that we're going to reverse a decision, I wouldn't use the term "reverse." I would certainly say we're looking at reviewing it, looking at the infrastructure, the organizational structures of abattoirs in 2002 compared to 1995 and looking at the needs of those abattoirs, the needs of the program delivery in 2002.

The Chair: Your last question for this round.

Ms Martel: Maybe you can explain the breakdown between your full-time staff and their responsibilities and your contract staff. Should I assume that all of the contract staff are part-time?

Dr Ingratta: I'd have to ask Dr Baker that.

Ms Martel: Can we get a breakdown of that?

Dr Baker: I don't have those numbers here, but there was quite a wide variation. A number of the contractors would work as little as six or eight hours a week, and some of them just on a seasonal basis, the Christmas area or whatever. There are others who at certain times of the year would indeed be working 40 hours or even more, perhaps, in a busy period. So there's quite wide variation.

Dr Ingratta: We could provide that type of information, yes.

The Chair: OK. Thank you very much. We'll recess now until 1 o'clock and then we'll start with another round.

The committee recessed from 1200 to 1259.

The Vice-Chair (Mr Bruce Crozier): We'll bring the committee to order. I take it we're ready to go, Mr Ingratta and Mr Taylor. If so, we'll proceed with the government caucus.

Mr Ted Chudleigh (Halton): Welcome to the committee, Dr Ingratta. Earlier this morning, the auditor made some comments referring to the defined responsibilities that the inspection services now take on. I wondered if you could give us some examples of what those defined responsibilities are. I take that it in the past there were gaps in the process that perhaps fell between the cracks and that, in defining those responsibilities—whether they be federal, provincial, agricultural or health-related—we have taken on new responsibilities in the inspection process. I wonder if you could give us some insight into some of those.

Dr Ingratta: The new legislation that was passed in December is what we were referring to in terms of identifying some gaps and dealing with those. In the course of almost two years of consultation with the industry and interministerial consultation, we identified some areas of concern. One of them was fish inspection. The new act will allow the Ministry of Agriculture, Food and Rural Affairs to take on a responsibility in fish inspection.

One of the other areas that was identified as a potential weakness—I'm not sure we could use the term "gap"—was the inspection of non-slaughtering facilities. These are plants that don't actually conduct a slaughter but they process meat products—sausage, that type of thing—and to bring several hundred of those facilities under a system of more regular scrutiny. Those were areas where we thought we needed to improve activity. That was a combined effort with the Ministry of Health and Long-Term Care and the local medical officers and municipalities dealing with those facilities.

In terms of gaps with our federal colleagues, as I pointed out in the introductory comments, the majority of meat that is slaughtered in the province is inspected by our federal colleagues. We've identified a number of abattoirs that upgrade or upscale themselves and want to become involved in international trade, so we've moved some of those facilities to the federal regimen. There is, if you will, a constant movement within the system. It continues to evolve, plants continue to evolve, but certainly we've taken every effort to look at where gaps might be to make sure that we minimize risk in the future.

Mr Chudleigh: In the further processing area in plants that don't slaughter, if the further processor wishes to export that product out of Ontario, does he require a federal inspection?

Dr Ingratta: All international trade requires federal inspection.

Mr Chudleigh: But if he purchased his raw product from a slaughterhouse which was federally inspected and then processed the product into hams, bacon etc, does he then require federal inspection of that finished product before it's exported, or can he ship that because it was sourced from a federally inspected plant? Can he then ship that anywhere he wants?

Dr Ingratta: It's my understanding that that product has to be inspected, not just the raw materials.

Mr Chudleigh: Good. Also, the fines for misdemeanours in this area have been significantly increased. Where did we come up with the amounts of the fines? How were they determined as to what would be appropriate for a level of fining?

Dr Ingratta: The most recent examples of a fine that has been instituted in this area demonstrate our concern that the fine be, if you will, more aggressively appropriate to the action. There was a fine issued within the last month that was in the magnitude of \$10,000. Average fines in the past have been considerably less than that and there was some significant push-back that the fines themselves were not significant enough to rectify the situation that was outside the legislation. As a province, we've moved more aggressively to increase that number. The fines are now quite significant, and under the new Food Safety and Quality Act there are areas where it can be more than just fining; there can be a period of incarceration as well. I think, again, it emphasizes that we want to be very clear in demonstrating that this is a priority, that if in fact there are infractions, they need to be dealt with with a greater level of severity.

Mr Chudleigh: During the consultations on the food safety act, were these fines discussed? Were they generally supported by the industry or was there concern expressed by the industry about the level of fines?

Dr Ingratta: There was a discussion during the consultation on fines and penalties. I think it's safe to say that there is always a variety of opinion in consultation. There are those that are, if you will, sustainable businessmen in the area that want to make sure there are significant penalties put in place, so that they're not operating on an unlevel playing field with those people who perhaps don't pursue the regulations as they should. There was support for those levels of fines by people who would never be in violation. Others would have objected to any fine, not because they may be in violation, but many people object to financial penalties. Some of us have been exposed to speeding tickets and find the dollars excessive but not inappropriate.

Mr Chudleigh: Certainly not inappropriate. The HACCP program has been around for many years and seems to have been implemented over time in the food business, in the food industry. Could you give us an indication of when the Ontario industry might expect to have an up-and-running HACCP program throughout the industry, from farm to fork, as it were? Is there a date? Is there a goal that is set? That's not to say that there aren't constant changes to that program as technologies change,

but to have that program in place, is there a goal set for that?

Dr Ingratta: The deadlines or the timelines vary by sector. I think I mentioned in my introductory comments, or certainly at some point in the questioning, that the dairy farmers expect to have an on-farm HACCP program in place by 2004. It's interesting to point out, though, that there are already a number of industry HACCP programs in place. Many of our food processors already follow the principles of HACCP in their operation. What we're talking about in part of the new Food Safety and Quality Act is to provide a framework where HACCP or HACCP-like programs can be made available. "From field to fork" is the most common expression that we use.

The dairy industry is looking at 2004; the greenhouse vegetable industry is looking at probably the end of this year to have a program in place. So it does vary. I think what's important is that the industry has taken on a desire to develop those HACCP programs. As a ministry, we've invested \$8.8 million to support the industry in developing those HACCP programs, and as I pointed out, there are over 200 commodities. Having all of those programs in place within the next year or two is quite unlikely, but it is certainly something we're working toward.

The final point about the HACCP program, and I don't want to protract this, goes to the issue that we've spent a lot of time talking about inspection and licensing. The HACCP program drives home very clearly that it is the responsibility of the sector, everywhere from the producers making sure they grow that crop or raise that animal in an environmentally safe way in ensuring food safety, all the way through to the consumers, making sure that the whole continuum is involved in food safety. That is the big plus of a HACCP program. As they are developed, there's a broader awareness. I think members of this committee have explained that what we really need is a broader awareness of food safety and food safety issues, and HACCP programs will help upgrade that.

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The Vice-Chair: Excuse me, gentlemen. Just ever mindful that the public watches this as well, could you tell us what the acronym HACCP stands for?

Mr Chudleigh: The hazardous analysis critical control points program.

The Vice-Chair: Hazardous analysis critical program, right?

Mr Chudleigh: Was that a test?

The Vice-Chair: It is for me.

Interjection: Critical control points.

Mr Chudleigh: I would have thought a former employee of H.J. Heinz would know about those kinds of things.

The Vice-Chair: I was the data processing guy. Continue.

Mr Chudleigh: The Dairy Farmers of Ontario program being completed in 2004; you mentioned that's an on-farm HACCP program. Will that be meshed with the

trucking business, the dairy receivings, every step along the way? Is that what the program is designed with, or is this an on-farm system?

Dr Ingratta: The intent of HACCP programs is to have an integrated system. The elements of an on-farm HACCP program will include things like the farmer having a nutrient management plan so that agricultural waste is disposed of in an appropriate way. The environmental farm plan would dictate that the livestock producer would have participated in and passed a livestock medicines course so the appropriate application of medicines will take place. So it's the whole range of activities that a farmer would pursue, but it's absolutely important that once that milk leaves the bulk tank on the farm and is picked up by the milk transporter, they also have a system of checks and balances, of refrigerated transport, of minimum amounts of time before it's taken to the milk processing facility.

It is important that all of the players in the sector are participating in that HACCP program, including not leaving your milk out on the counter for a day and a half and then drinking it and finding that you may have a bit of stomach upset. It sounds a bit terse, but as I've said several times, everyone within the continuum needs to be aware and participate in the food safety program. So on-farm 2004, the milk transporters will be working on a program. As well, I think I'm correct in saying that most of the dairies already have a HACCP program in place at the dairy processing facility.

Mr Chudleigh: This would take into account all—what are there, 6,000 or 7,000 dairy farms in Ontario?

Dr Ingratta: Sixty-four hundred.

Mr Chudleigh: Each one of those would have to become acquainted with each step of this program?

Dr Ingratta: That would be correct.

Mr Chudleigh: That's a very aggressive program. The Dairy Farmers of Ontario are supportive of this program?

Dr Ingratta: The Dairy Farmers of Ontario are very supportive of the program. They are the lead applicant in the process, with the ministry's healthy futures program, to develop a HACCP program that is user-friendly so that all 6,400 can apply it in their operation, rather than something that may be a 500-page academic tome. They're very much involved in this. I think it's fair to say that the agricultural and food industries realize that food safety is a critical element of their being in business. An outbreak that is related to food will have a dramatic impact not only on the population but on the producers themselves. So they are being proactive in developing these systems, not just relying on an inspection system.

Mr Chudleigh: Given that we've seen mad cow disease in Europe, foot and mouth disease in Denmark, and various other outbreaks of diseases among animal populations, and indeed in food I suppose to a lesser extent, does this become a critical component of the ability of Ontario to trade internationally in the future, do you think?

Dr Ingratta: In discussions with our federal colleagues who, again, have that international responsibility, as part of the agreement that the federal and provincial ministers came to in their annual meeting last year, they identified very clearly that they were in support of a strategy that positioned Canada as being a world supplier of high-quality, safe food produced in an environmentally responsible way.

Every minister of agriculture and their federal colleague supported that as a strategy we wanted to pursue, and there are critical elements in it. So food safety: very much a part of that; environmental responsibility: very much an important part of that strategy. I would take from those deliberations and that agreement at the last federal-provincial meeting that, yes, it will be very much a part of an Ontario and a Canadian strategy for exporting agricultural products.

Ontario, as a matter of fact, exported over \$7 billion worth of agri-food commodities last year. So it is an important part of our agricultural economy, about a quarter of all of Canada's agri-food exports.

Mr Chudleigh: And mostly finished product, as opposed to raw commodities?

Dr Ingratta: In Ontario's case, of that slightly over \$7 billion, I believe somewhere between 60% and 65% would be value-added products. Our colleagues from Saskatchewan probably would be the reverse of that, where they would be shipping raw product, shipping wheat. We're shipping bread; they're shipping wheat.

Mr Chudleigh: The strategy of course is, who would not sign on? It's got a little bit of motherhood to it. I suppose where the rubber hits the road is how committed a government and a ministry are to making it happen. I'd suggest that our government, and your ministry, are very committed and have put a lot of money and effort behind it, especially in the food safety act and the kinds of things we've discussed here today. So I think it augurs well for the future of agriculture and food in Ontario.

With some of the questions that were coming up earlier, I was a little confused about the timing of the Ministry of Agriculture and Food's internal review of their processes as it revolves around inspection issues and the timing of the audit. Is your review an ongoing program that never really ceases, that you continue to review and therefore when the audit took place you were full in the middle of a review, or did the review start after the audit took place?

Dr Ingratta: I would classify it as more of the former. We have been in considerable dialogue and debate within the ministry for, some would say, almost a decade on how we can amalgamate, streamline and improve food, food safety, enact regulations around food safety. So there's been some level of dialogue for a significant period of time.

I think it's quite clear that the efforts that have been undertaken in the last three-year period have been most significant. There are a couple of issues that have ratcheted up the concern in the public, whether it's food safety or environmental issues on the farm. Those have

been concurrent with our desire as a ministry to seek improvements in the system, streamline the system, a science-based system, some of the issues that I talked about this morning.

So it is more of an evolutionary process. We talked considerably this morning about this new food safety decision support system, the technology system. It started out as a base system for being able to report the daily number of inspections. We now have made it a more interactive system, so it continues to improve and evolve.

We have every expectation that what we've put in place is a system that is organic, if you will, and that it continues to improve and evolve.

I stated, and I will repeat, that we appreciated the input that the Provincial Auditor made in reviewing our program. It helped confirm that many of the directions we were pursuing were appropriate. It also pointed out some of the deficiencies. As I've said, we've moved on every one of those recommendations.

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Mr Chudleigh: I think Mr Maves has one short question.

The Vice-Chair: If it's really short, because you are over your time.

Mr Maves: It's really short. It's something you actually alluded to earlier. I just wanted a clarification on it. In the auditor's report, you talked about goat's milk and that 90% of the samples tested by the lab did not meet legislative bacterial standards. You said that was, in most cases, pre-pasteurization. Can you just clarify that for me?

Dr Ingratta: In all cases, that was pre-pasteurization. The issue that may have been confusing is that we have not had standards for goat's milk and the goat's milk was being compared or judged, if you will, on cow's milk standards. There is a maximum of somatic cells you can have in cow milk. Goat is a different species; goat's milk is not cow's milk. It has been judged in the past on cow milk standards. Part of what we will be changing in the food safety and quality legislation is having a set of standards specifically for goat's milk. But it is all pre-pasteurization. I think I pointed out that there is no evidence that goat's milk, post-pasteurization, had exceeded even any standards for milk quality.

Mr John Gerretsen (Kingston and the Islands): I've been on this committee for two and a half years and I always find it very interesting that most ministries come in here and basically say, "Yes, we appreciate what the auditor has done with our ministry, but we really started to make some of the changes before he came in." Maybe I'm getting a little cynical in my old age, but the timing always seems to be just perfect, that the changes are taking place at the same time the auditor points them out.

I know there has been a lot of discussion today about what you're doing now to improve the system in the future, but I would like to spend some time with respect to the actual deficiencies that the auditor identified and how it is possible, in a ministry that's been around as long as your ministry, which obviously had major

degrees of standards as well back in the early 1990s or 1980s or even in the mid-1990s etc, that these kinds of conditions could have existed.

Let me just read you the very first one dealing with the food safety deficiencies. The auditor states that the "Food safety deficiencies that are defined as critical by the ministry"—in other words, you people have decided that they are critical—"and could pose risks to human health were noted during annual licensing audits of ... (slaughterhouses) but were not corrected in a timely manner. In fact, almost one third of the deficiencies noted were detected ... during the following year's audit." How is that possible? A year after deficiencies were noted by your own ministry, nothing has been done about it. Could you explain that to the committee?

Dr Ingratta: I'm glad to attempt to explain that. There is a long list of checkpoints that are part of the audit.

Mr Gerretsen: We're talking about your audit, the internal audit, right?

Dr Ingratta: Yes. In fact, the references that the Provincial Auditor made were based on the data in our audit. To my understanding, they never visited an abattoir and did an audit. They took an opportunity to visit an abattoir to understand what the normal comings and goings might be, but their comments are based on our audits. So, yes.

Mr Gerretsen: On the paperwork that your ministry has?

Dr Ingratta: Yes. There are a considerable number of points that are checked as part of the audit: the temperature of sanitizing solutions, the cleanliness of a surface, whether the walls are composed of an appropriate—suffice it to say that there's a long list.

It's also fair to say that there is never 100% compliance with all the things that are part of that checklist. There may be any number of deficiencies. As part of the audit process and as part of the process that we certainly have in place now, there is a requirement to come back to that plant and set a time frame for the correction of those deficiencies.

Mr Gerretsen: But that was not done then. Just so that I understand it, the deficiencies were noted but nobody went back there, let's say 30 or 60 days later, to see that the rusty equipment, the unsanitary services etc had been cleaned up.

Dr Ingratta: There would have been a revisiting, but as we've pointed out, we revamped the audit process for the abattoirs. We've gone to a new classification system of how well those abattoirs meet the standards. So there has been an ongoing process. Is it more aggressive today than it was three or five or 10 years ago? Yes. It's a more aggressive follow-up process. The timelines are more defined. These are some of the recommendations that the Provincial Auditor made, that we needed to have more defined time frames.

Mr Gerretsen: Have you got adequate resources or more resources to actually do that work that you obviously weren't doing two or three years ago?

Dr Ingratta: We have a trained set of veterinarians who are doing the audits. We have adequate resources to audit the 200-plus abattoirs that we have in the province, to do an annual audit and to do the follow-up based on the time frames that are now in place.

Mr Gerretsen: Did you not have those resources in place two or three years ago when the auditor actually did his audits?

Dr Ingratta: Not all of the dedicated resources. Yes, that would be correct.

Mr Gerretsen: Let me go on to the next one, dealing with the goats' milk situation. It states that one third of the inspection reports that we review for goats' milk dairy farms gave these farms "a conditional rating because of non-compliance with minimum standards. Examples of non-compliance include unclean milk storage tanks and milking equipment. Furthermore ... 90% of the goats' milk samples tested by the laboratory did not meet the legislated bacterial standard"—and here's the critical point—"yet no follow-up action was taken by the ministry."

I realize from your comments earlier that there weren't standards in place for goats' milk, but these are situations where you have actually found deficiencies in 90% of the cases and yet no follow-up was done. How is that possible?

Dr Ingratta: I want to go back to the point of comparing—and please tell me if I'm not making the point here—goat milk to cow milk standards. If you don't have a set of standards for goat milk, it's a little difficult to go to the goat milk producer and say, "You must follow this standard." If it's a standard of general comparison to cow milk, it's a little difficult to go back to the goat producer and say, "You have to follow cow milk standards."

Mr Gerretsen: Why are you even doing the inspections in the first place if you've got no standard to measure them against?

Dr Ingratta: In order to develop the baseline, because there will be standards in the new piece of legislation. There will be regulations that cover goat milk in the new legislation. We simply can't establish those standards without some data or information in order to establish those standards. So we go out and take this information and then you compare it to cow milk. It is a leap to suggest that there is a safety deficiency in the goat milk because it doesn't meet cow milk standards. It's particularly inappropriate to say it's unsafe, because it is pre-pasteurized. There is no report, no evidence that once the goat milk is pasteurized it is unsafe.

Mr Gerretsen: Are you saying that the auditor is wrong, then, in this assessment? He's saying that "90% of the goats' milk samples tested by the laboratory did not meet the legislated bacterial standard..."

Dr Ingratta: For cow milk.

Mr Gerretsen: OK. So you're saying it's for cow milk. The auditor, of course, doesn't state that in his report. He just deals with bacterial standards in general. Are you saying that basically you did these tests in order to determine what kind of framework you should put into

place by which goats' milk could be tested? Is that why you did these tests?

Dr Ingratta: To use them as a basis for the standards that will be in the new legislation. That is certainly a very strong reason for doing them, yes.

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Mr Gerretsen: Let me go on to the next one. It states, "In 2000, the ministry tested almost 800 fruit and vegetable samples and found 28 cases," which I think is somewhere between 3% to 4%, "where chemicals exceeded acceptable limits by as much as 80 times the limit." This isn't just barely over the limit, but 80 times the limit. "As of March 2001, the ministry had yet to formally notify growers and retailers of the test results for these samples collected in the summer of 2000." Why do this testing and not let the growers know what the test results were, particularly in cases where it was 80 times the acceptable limit? What explanation do you have for that?

Dr Ingratta: The explanation requires a bit of detail around the standards that are in place. First off, my understanding is that that's one sample at 80 times, not 3.1%. So all of those samples that exceeded were not 80 times; one sample was 80 times.

Mr Gerretsen: OK, maybe.

Dr Ingratta: It was, as I understand it, an issue of pesticide residue. The standards on pesticide residue are federal standards. I don't say that as a reason to shirk responsibility, but they are federal standards. They are standards that have a hundredfold safety factor built into them. The level recorded here, even at the 80 times on this one sample, was not at a level that would be deemed to be, by Canadian standards—which, as a matter of record are among the most stringent pesticide standards in the world—above a level within their safety tolerances. I realize that 80 times on the one sample seems like a very dramatic number, and it is a number that we would work diligently to ensure doesn't happen with regularity, but it is within the safety bounds of the federal pesticide legislation.

I have already suggested that we were in error in not reporting the results of that sample or others of the sample that exceeded the protocols. I've already admitted that we were in error in not getting back to the producers and working more diligently to find the cause of those elevated levels. I have suggested that we do now have in place a system that is a one-week turnaround if any of those elevated levels are found.

Mr Gerretsen: Do you have extra resources for that? The reason I am asking is that the next sentence in the auditor's report is, "In addition, we were informed that due to staff reductions and reorganization, ministry staff no longer investigate the source of concerns to help producers resolve identified problems."

I guess what I'm getting at is, why are all these things possible now within your ministry in all of these three areas I've mentioned, and why wasn't it done before? Do you have more resources available to do the stuff now that you didn't do before?

Dr Ingratta: In my opening comments, I believe I stated that in the last 18 months we've brought on 37 new staff to work in this general area of food safety, research and development in food safety. So do we have more resources? Yes.

Mr Gerretsen: Let me talk about the resources, then, for a moment. We talked earlier this morning about 130 contract employees you now have and that some of these people work from six to eight hours and some people work seasonal. Could you translate that 130 contract positions into full-time positions, let's say based on a 40-hour week? How many people are we talking about if the 130 were compressed into full-time workers at 40 hours a week?

Dr Ingratta: We're currently providing inspections at about, I believe the number is, 134,000 or 135,000 hours of inspection on an annual basis, if you take as a rough number 2,000 hours of work in a year.

Mr Gerretsen: So that translates into about 65 full-time individuals.

Dr Ingratta: Approximately.

Mr Gerretsen: Did you ever employ people in this position on a full-time basis four or five years ago?

Dr Ingratta: Yes.

Mr Gerretsen: How many people would you have had working for you at that time, when they were in fact full-time ministry employee positions?

Dr Ingratta: Do you want the maximum number of full-time inspectors who worked with the ministry at, if you will, the zenith of the number?

Mr Gerretsen: The way I understand it, these 130 contract people translated to 65 full-time jobs—which basically have been created because some ministry people were let go in the past. What I'm trying to find out is how many positions in effect in the old ministry set-up, where these people were ministry employees, there would have been that have translated into these 130 contract positions.

Dr Ingratta: As Dr Baker is finding that number for you, I want to emphasize that there are fewer abattoirs that are being inspected today than there were at the zenith. There are a number of abattoirs that have moved up to federally inspected abattoirs, and we have improved the recording systems; we've talked quite a bit about the food safety decision support system, the computer system. So there are those factors that also have to go into play with the number.

Dr Baker: I do have those numbers here. Maybe 1991 would be the appropriate comparison, since that was the last time we were audited. We had 145 full-time inspectors at that point, and we had 351 abattoirs that were licensed, a lot of them quite small and quite inefficient. I guess that's the comparison.

Mr Gerretsen: How many abattoirs would there be today?

Dr Baker: There are about 209, as we speak.

Mr Gerretsen: So the number of inspectors you have on a full-time basis, by hours or otherwise, has in effect been depleted by more than half since that time, whereas

the number of abattoirs hasn't quite gone to a half—not by a long shot.

Dr Ingratta: One of the other factors that also needs to be considered in this process is that we've been working with the abattoirs—again, this was one of the recommendations that came out of the 1991 auditor's report, that the ministry should be more forthright or aggressive with the abattoirs in terms of scheduling.

In 1991 we responded to the abattoir if they phoned and said, "I'm going to slaughter five cattle tomorrow morning. I need you here." It was done that way. We've now worked with the abattoirs to the point that they're more regular in scheduling their slaughter so that we know that abattoir X—Wednesday morning may be their slaughter date, so we're able to more efficiently allocate the resources as well.

Mr Gerretsen: But I also assume that since 1991 there's a heck of a lot more meat being slaughtered than there was 10 years ago. I mean, there are more people in this province and our exports are doing so well. Anyway, there are half the number of inspectors, probably more work, fewer abattoirs, and the system is going to get better, is what you're saying.

What kind of training do these contract employees have?

Dr Ingratta: The contract employees, as a basis, would spend time in their first three to six months working alongside a fully trained inspector. There is a specific classroom experience of four weeks. That is equivalent to what the Canadian Food Inspection Agency provides for their inspectors. We provide them with training, in addition to that, on computer use. It is exactly the same training and level of training that we provide to the currently eight full-time inspectors.

Mr Gerretsen: Just so I'm clear, this morning you said that these people could not be in conflict of interest by working for the slaughterhouses themselves at other times, but they could somehow be involved in the retail capacity in the meat sale area. Did I understand that correctly?

Dr Ingratta: I believe Dr Baker suggested that the inspector could in no way be employed outside of the inspection function with an abattoir that they were inspecting. That's not to say that if they're inspecting the meat at abattoir X, if they did that in the morning, they couldn't go to the next county and work as a retail sales clerk in a sausage retailing operation.

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Mr Gerretsen: Do you think that's good enough? Do you think that is a good enough conflict-of-interest guideline as it affects these individuals?

Dr Ingratta: I think what I've suggested is that the individual in no way has a relationship with an abattoir outside of their inspection responsibilities. I think that is a significant wall between their inspection and involvement with that abattoir.

Mr Gerretsen: What kind of salary range are we talking about for these part-time contract positions on an hourly basis or however you calculate it?

Dr Baker: With benefits, it's around \$21.50 an hour.

Mr Gerretsen: You talked about the high turnover of these contract employees. Why is that? I suppose you'd have to ask the employees, but within the ministry you must have come to some sort of conclusion as to why there's such a high turnover rate when certainly the hourly rate seems to be fair.

Dr Ingratta: There are a number of reasons. Part of the human resource study that we've also talked about at some length hopefully will address through discussions with the inspectors—if you will, exit interviews and that type of thing—their reasons. But part of the reason that I indicated this morning, as Dr Baker has pointed out, is that some of them have, in less densely populated areas or fewer abattoirs, perhaps as little as six or eight hours a week to do this function. If they find another job entirely outside the industry, that may be one reason. As I've indicated, they all go through essentially the same training program as our colleagues with the federal government. The federal government pay packet is higher than \$21.50. I think that may attract them. Also, the possibility of full-time employment obviously has an impact on the pay packet. Those are reasons. As I said, we're hoping to get a more fulsome understanding of that as part of this human resources review.

The Vice-Chair: The Chair recognizes the auditor.

Mr Erik Peters: I just wanted to raise two very quick points. One is that certainly the factual content of our report has been cleared with your ministry at several levels: with the director, ADM and including that you and I had a meeting on it. So I think the facts were cleared with you as we went along.

With regard to the raw goats' milk, I have some concern. You inadvertently may have left an impression with the committee saying that the sampling was done for benchmarking purposes. The sampling was actually done because it's required by law. The law says that raw milk shall be tested. You may want to elaborate on that a little bit.

Then, in response to our concerns when we found that 90% of the raw milk that was tested did not meet the legislated bacterial standard in the report, you indicated, and with our agreement, "The ministry is currently"—that is, at the time that we obtained this response, which was after the audit—"developing appropriate regulations and inspection requirements pertaining to collection, testing and transportation of producer samples for non-farm goats' milk production. In addition, bacterial standards and penalties appropriate for goats' milk production and processing practices are being developed." I think you indicated that. I was just coming back to the question as to why this persisted at that time.

The third point, very briefly: you also indicated that this was dealing with raw milk and not pasteurized. We also noted, and you agreed, that the ministry had no standard for bacterial content for finished dairy products, including cheese. So the concern is that you may want to clarify a little bit how this would work and maybe why the law required laboratory testings of raw milk.

Dr Ingratta: The law requires testing of raw milk because it is possible in raw milk to have excessive bacterial levels, which make the pasteurization process more necessary but more difficult. If there's a larger bacterial population that needs to be reduced, if you start with a higher population, it's slightly more difficult to get down to zero.

There are a number of organisms in milk that are known potentially to be a food safety issue in the final product. *Listeria* is the one that comes to mind.

So it needs to be tested in order to determine what the levels are. If the levels are excessive, then processes are put in place both on the farm and again in the pasteurization process to make sure the product that is put on the table in front of the consumer is safe. That's the basic requirement.

Yes, we've said that we want to develop those standards for goat milk. I think the number five years ago was that there were 40 goat milk producers; today there are 200. There is an increasing demand for the product, so what was perhaps not an issue a number of years ago because it was a very marginal product has a growing demand in the marketplace. We need to have those standards in place. I don't think we've denied or argued that we want to put appropriate standards in place for goat milk.

Ms Martel: I would like to pursue the line of questioning around the inspectors. Maybe I'd start in 1995 because, and correct me if I'm wrong, that was when the outsourcing initiative began. At the point before outsourcing began, what was the number of inspectors that the ministry had, and were they full-time or part-time?

Dr Ingratta: The inspectors before the process of using contract inspectors were ministry staff.

Ms Martel: Yes.

Dr Ingratta: I'm just looking at the numbers here. In 1995, there were 103 full-time inspectors and 79 contractors.

Ms Martel: Were the contract staff also ministry staff just working part-time, or were they fee-for-service essentially?

Dr Baker: They were fee-for-service, or "per diem," as we called them at that time.

Ms Martel: Now you have 139 fee-for-service inspectors, and we gather there's a mix in terms of their hours: some part-time, some more casual. None of those would be full-time, though, would they?

Dr Ingratta: Of the 139, eight are full-time.

Ms Martel: OK. Earlier, in response to a question from Mr Peters, I thought I heard you say the cost for the 139 fee-for-service inspectors had resulted in an increased allocation. Was that correct?

Dr Ingratta: I don't believe so. In terms of our total costs for inspection?

Ms Martel: Yes.

Dr Ingratta: I don't believe so. We'll dig these numbers out for you right now.

If the impression was that there is an increase in the meat inspection budget, I may have left that impression

because our total expenditures in that area are higher. As I've said, we've brought on 37 staff—research staff, a range of other people, veterinarians who are providing support to the inspectors—so that the total cost of the meat inspection program or the total dollars allocated to the meat inspection program are now higher.

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Ms Martel: Within that total cost, is the cost of the fee-for-service inspectors included along with the eight full-time?

Dr Ingratta: Yes.

Ms Martel: And the 37 new positions are not meat inspectors?

Dr Ingratta: That is correct.

Ms Martel: It's completely different. Can you compare that cost against your 1995 cost for your complement of inspectors?

Dr Ingratta: You want the comparison of just inspection costs in 1995 and just inspection costs of today?

Ms Martel: No, I'd be interested in what your costs were in 1995 for the full-time and contract inspectors, and your costs right now for your inspection staff.

Dr Ingratta: We can certainly commit to getting you that number. I'm hoping we'll have that number available this afternoon.

Ms Martel: OK. But I should be clear that your reference was to an increased allocation, essentially as a result of the hiring of 37 new staff.

Dr Ingratta: In the food safety area. As I've repeated several times, food safety is more than inspection, so yes.

Ms Martel: If you can give some comparisons between inspection and inspection, that would be really useful.

You also said your number of inspections has remained the same. Can you tell me how you arrived at that number? I'm not sure what your comparison was to—was it to 1995, was it to two years ago? What was the comparison to?

Dr Ingratta: I would have said that our inspections remain the same in that every animal continues to be inspected. The point was made earlier that we are inspecting more animals in total, but every animal continues to be inspected. So when you say, "The numbers of inspections remain the same," I suggested to you we had currently 134,000 hours of inspection provided to the abattoirs.

Ms Martel: And that is the same as what other year? What are you making the comparison to?

Dr Ingratta: In 1995 we had 177,000 hours of inspection. Again, I hasten to point out that the number of abattoirs has declined.

Ms Martel: Excuse me if I don't understand this. Does it go by animal? Because you also gave a figure with respect to numbers of animals inspected. I'm looking at this figure for 1995, just off the top, of 177,000 hours of inspection. You gave us the hours of inspection for this year, which was 134,000. Can you tell me what that difference is? What does that mean? Am I missing something?

Mr Taylor: There are a few issues involved. There are certainly fewer abattoirs, so the same number of animals done through fewer abattoirs would mean less travelling time, less lost time and so on and so forth. There has been a significant requirement working with the industry—at least one study carried out looked at how to improve the efficiency of those meat-processing plant operations, the slaughtering operations, to try and ensure that when our inspectors were there, there was slaughtering going on and that they weren't involved with standing around, waiting for the plant to get something done. In fact, what they've gone through is a process of, based upon their efficiency, assigning them inspection hours to ensure that they use our inspector's time in an efficient manner. The reduction in the number of hours, the 177,000 or whatever down to the current 134,000 hours, is involved in a number of efficiency improvements, a large part of which is efficiency within that industry. I think that's part of what the Provincial Auditor was commenting on as well.

Ms Martel: You would say to us that it would not have any relationship back to having fewer inspectors? There's not a relationship there?

Mr Taylor: Not a relationship—

Ms Martel: Between your fewer hours of inspection right now and what you were doing in 1995.

Mr Taylor: The efficiency gains resulted in fewer hours required, which resulted in fewer people required to carry that out.

Ms Martel: I think the auditor said your budget for specifically inspection, licensing and testing was \$10 million. The overall budget was \$20 million, but \$10 million of that was for competitiveness issues etc. How does that \$10 million compare to previous years? Is that more or less than you've been allocated in previous years? Increased?

Dr Ingratta: The \$10 million for inspections?

Ms Martel: Yes.

Dr Ingratta: I think we have that comparative number. For meat inspection in 1995, \$8.62 million; in 2001-02, \$11.43 million.

Ms Martel: Specifically, we're comparing the same thing: we're comparing licensing, inspection and testing expenditures in both cases, and nothing else?

Dr Ingratta: Yes.

Ms Martel: The 110 staff that were referenced in the auditor's report, with respect to this budget, are those 110 staff who are involved in issues regarding competitiveness not involved in licensing, inspection and testing? What is the breakdown of those staff?

Dr Ingratta: Don, that's your division, so I'll turn that one to you.

Mr Taylor: I believe the 110 staff refers to the division complement. So the food inspection branch is a major part of that, but there are two other branches, plus the division administration.

Ms Martel: The payment for the contract inspectors and the eight full-time would come out of that \$10 mil-

lion of licensing, inspection and testing budget, essentially? That's a staff line, predominantly?

Mr Taylor: The \$10 million?

Ms Martel: Yes.

Mr Taylor: The \$10 million is a total line.

Ms Martel: So that would cover all of your inspection staff under that \$10 million?

Mr Taylor: And costs related to that.

Ms Martel: Whatever related travel, and lab testing, that fee comes from there as well?

Mr Taylor: I believe so. Tom?

Dr Baker: No. The lab testing is outside of that.

Ms Martel: So it's separate.

I noticed that the auditor also said you did a review of your lab testing. Can you explain to the committee what the purpose of that was?

Dr Ingratta: In 1998 we entered into an agreement with the University of Guelph. We transferred a significant component of our research, education and laboratory function to the University of Guelph. Until then, that laboratory function was within the ministry. Because of our transfer of almost \$50 million a year to the University of Guelph, we now get the majority of our research, education and laboratory function performed by the University of Guelph. There are, however, a number of other commercial labs available in the province. So we've made efforts to ensure that we simply aren't having all our laboratory work done at the University of Guelph if in fact it is not the most cost-effective. We don't just deal with cost-effectiveness in the laboratory analysis. Not all labs are capable of doing the whole range of tests that are required, but I think it's important to continue to review where our laboratory work is done so that we can be as cost-effective. There is also laboratory work that's done for quality components of milk, in addition to food safety components, so the percentage of butter fat versus the bacterial composition—they are obviously two different tests. What we're looking at is the potential for amalgamating those tests in one lab rather than in multiple labs. So that's the type of thing that would be part of a review of laboratory work.

Ms Martel: When you transferred that responsibility to the University of Guelph, did you transfer funding as well? Is that what the reference to \$50 million was?

Dr Ingratta: That is correct.

Ms Martel: Has that number declined since the date of transfer, which would have been in 1998, or are you still making a transfer payment of \$50 million to them?

Dr Ingratta: We were making a transfer payment of \$50.5 million last year. We're in the process of negotiating a new five-year contract with the university.

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Ms Martel: OK. When you transferred the administrative responsibilities for the Milk Act and penalties etc to DFO—I think you said you transferred money as well to allow that to happen—what was the amount?

Dr Ingratta: It was \$300,000.

Ms Martel: How did that reflect against your own budget? Did you have your own inspectors previously doing what DFO inspectors are now doing?

Dr Ingratta: That's correct. We had essentially the same function. The Dairy Farmers of Ontario added a group of field staff who were already on the farms, so it was seen that this would be a function that those staff would incorporate and supplement their activity on the farm.

I believe the question you're getting to is, did it cost us more than \$300,000 to do those inspections versus dairy farmers? The total cost is less. The transfer we've made to the dairy farmers is less than our total costs were.

Ms Martel: What number of staff did you lose as a result of that? I'm assuming they are different inspectors than your meat inspectors, although I wouldn't pretend to know all of the differences.

Dr Ingratta: I believe there were six staff positions that were doing the milk inspection. A number of the staff went to the dairy farmers and a number of staff went to other positions. There were no staff who were surplus as a result of that.

Ms Martel: I wanted to go back to your new positions, the 37 in the 18 months. Are all of those permanent positions?

Dr Ingratta: Yes.

Ms Martel: Were they positions that you might have had before in the ministry or are they all new?

Dr Ingratta: The majority of them are new. We have not converted a policy analyst into a research scientist. The majority of them are new positions that have been filled by competitions.

Ms Martel: Would it be possible to provide the committee, not with the names but with what the positions are?

Dr Ingratta: Yes.

Ms Martel: Just so I'm clear, they have nothing to do with inspections on the technology side or—

Dr Ingratta: As a short example, if I might: two HACCP advisers; seven food scientists; one data scientist; one food engineer; three veterinarians; four regulatory specialists—different from being a hands-on inspector but helping to develop regulatory protocols, that type of thing; two on-farm food safety experts; and other enforcement and policy personnel. We've had people come on staff to help build that policy work that went into the legislation that was just passed.

Ms Martel: Let me go back to the contractors in this respect. With respect to outsourcing and what your situation is now, are you also doing a cost analysis, or has it already been done, of what your costs were with respect to having internal staff in 1995 and what your costs are right now with respect to the mechanism you're currently using, which is to outsource most of that work?

Dr Ingratta: Again, part of that human resources review is the whole issue of cost of the different staff, everything from annual salaries, to benefits, to skills and knowledge and that type of thing. So that's a part of the analysis we're currently doing.

Ms Martel: Could you tell the committee at this point if you can clearly point to what the savings were, from your perspective as a ministry, for outsourcing?

Dr Ingratta: I don't think I've got that number in front of me. To be clear, because we want to provide you with this information and we will get it to you, the question is, what did our inspectors cost in total prior to outsourcing and what was our inspection cost in total prior to the use of these contracts? That's the number you want.

Ms Martel: Yes. I'm going to assume that the decision in 1995 was based on the premise that there was going to be a saving to do it this way. Was that the premise of the change?

Dr Ingratta: Not the only premise of the change, to be certain. Part of the premise was to improve the efficiency, having the bodies in the places they needed to be at the time they needed to be. The suggestion in the 1991 auditor's report was that if we pursued that type of thing, we should expect savings. So I don't deny your premise; I'm suggesting that there are other factors in addition to cost savings.

Ms Martel: I'm not familiar with the 1999 report, so I guess the other question I have is, did the report say there could be efficiencies if you restructured and outsourced, or if you restructured? Because there's a difference in my mind. You could restructure people's work and still have them as part of the public service. What did the 1991 report say that would have led, I assume, to the decision in 1995 to outsource?

Dr Ingratta: It specifically talked to the opportunity for contract.

Ms Martel: Outsourcing it?

Dr Ingratta: Yes.

Ms Martel: OK. If you have—

Dr Ingratta: I want to stop for a second and ask the auditor if their recollection is the same, because that's my guess.

Ms Martel: OK. If you have a rate of turnover that is high—which you've already told the committee, and you've outlined some of the reasons for that—as you do your review, are you going to take a look at that very problem? I'm going to assume that your full-time staff would be paid by hour higher than your fee-for-service. Would that be correct?

Dr Ingratta: Yes.

Ms Martel: So if you were trying to resolve that problem and still have the same number of inspections and still be efficient, is there a possibility that you could actually make a lot of those part-time or casual positions full-time, still cover what you have to cover in terms of inspection and still be cost-efficient?

Dr Ingratta: We would continue to be cost-efficient. You're going exactly to the heart of the review. We need to be, in order to continue to provide the most cost-efficient system with our overall objective of food safety and make sure the system is as efficient as it can be, with due regard to effectiveness and efficiency, as the auditor has suggested. That's part of the review. If the review

were to identify opportunities for staff to be full-time and it continues to be more effective, or if it became more effective and efficient to have some of those, those are the types of recommendations we would pursue.

Ms Martel: I anticipate that there's a cost too to have that turnover of staff in retraining and rehiring on an ongoing basis. There's a significant cost there in terms of loss of expertise too on an ongoing basis. Can you tell us, Deputy, when is that review going to be complete?

Dr Ingratta: We would expect it to be complete before the middle of this year, so before June of this year.

Ms Martel: So any recommendations you have would have to be dealt with by your minister and, if there are changes, that would have to go to cabinet as well with respect to whether you continue with outsourcing or look for some other model.

Dr Ingratta: I believe you asked a question earlier about our internal process and that fairly accurately captured our process, yes.

The Vice-Chair: Are there any more questions?

Mr Hastings: I'd like to pursue a little more the 37 new positions that OMAFRA has gotten in the last year or so. You were mentioning that there are some food scientists etc. You also mentioned, I believe, that there was a microbiologist you've hired. My question would be, how do the new positions help to assist both the in-house and your contract compliance people in carrying out their daily inspections?

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Dr Ingratta: We have in place an inspection system that is currently based on visual and organoleptic observation. What the scientists are involved in is developing standards and protocols where we could supplement those visual identifications with actual sampling. We're piloting technology that some of the larger plants may be able to use to actually do some microbiological diagnosis in-plant, so you don't have to send a sample off and wait for four days to determine whether there's potential contamination.

That's the type of thing that the scientists are doing. They're working on those new diagnostic techniques in order to deal with these new HACCP systems, to deal with the organisms that are now more of a concern than they were 10 or 20 years ago. They have become part of that continuum. So we've got, if you will, the basic visual inspections taking place, but we have the backup inspections on the microbiological side.

When I talk about an improved system, that's what I mean, that we have another level of information and data that's being collected as part of the regulatory process. That's where I'm hoping they will have their impact.

Mr Hastings: Do I assume correctly that some of these new positions will have a lot of interaction with the Canadian Food Inspection Agency in terms of the new organisms, the viruses that seem to be striking our food chain to some extent?

Dr Ingratta: Certainly we've always interacted with our federal colleagues. I think the thing we always have to be cognizant of is that our food scientists are working

with their food scientists. It's one of the advantages that we have in Guelph. About four years ago, Ag and Ag-Food Canada moved a large group of their food scientists to Guelph as they did some restructuring of their facilities. Our food scientists are in the building next door. Our expectation is that they would work together. We certainly don't want our food scientists in one lab doing the same thing that their food scientists are doing in another. Because they're in the same geographic area, we have more than the expectation that they'll work together; it will be critical that they continue to work together so that we can better generate this new information.

Mr Hastings: In respect of the role of the CFIA, you were saying this morning that where abattoirs are exporting meats internationally or interprovincially, the CFIA plays the role of inspector and provides your people with information if there are any problems that should arise. If they're also doing domestic, which they may be—I don't know how that breaks down—could you give us some idea of the number of abattoirs there are across the province and their size, and does that to some extent dictate how you allocate staff, your contract staff particularly, in terms of the smaller abattoirs that function maybe one or two days a week?

Dr Ingratta: There are 209 provincially licensed, inspected abattoirs in the province at this point. They would vary anywhere from plants that would operate 40 hours a week to a plant that might slaughter five head of cattle beasts a week—so a very broad range of size.

One of the challenges—and I don't want to prejudge your question, but you talked about the CFIA. I mentioned that 85% of the livestock that is inspected in this province is done in federally licensed plants. You may ask the question, "Why aren't all the plants federally inspected? Why do we have a provincial system?" Part of that reality is that the federal plants, because of international obligations, have some standards that aren't specifically related, in this case, to food safety, but they have some standards that may be onerous, particularly if you're operating a plant that's slaughtering 20,000 hogs a week compared to five animals a week. Some of the infrastructure costs would be significantly different for those international plants to meet all of the international requirements.

Pardon me if this is a long answer, but one example I would give is that in order to export meat to a number of the EU countries, they have a requirement that, where all animals are handled in the holding pens, all shovels that are used in those holding pens cannot have wooden handles; they have to be stainless steel or something like that. That's a requirement if you're going to be a federally inspected plant and export into the EU. For that abattoir that may only slaughter five animals a week, you might see that that standard or protocol would be onerous, and not to be able to use a wooden-handled shovel in that holding pen would be seen to be a little excessive.

There are a number of reasons why we have a provincial system. Included in those are also the wide variety

of more exotic animals, barbecued hogs and halal meats. The larger federally inspected plants can't handle the smaller quantities, Peking duck, that type of thing. Most of that type of thing is done in a provincially licensed plant. I apologize if I took your question in a different direction.

Mr Hastings: Still focusing on your relationship with the CFIA and how food is exported interprovincially and internationally, what is your assessment overall of the types of information and the rapidity with which you get that information in terms of rapid response for incidents that could affect our food chain, whether it be meats, dairy products or other types of products? Do we have a good tracking system in place or is it developing?

Dr Ingratta: I would say we're almost in constant contact with our colleagues at CFIA. If they identify a food product for recall from an Ontario manufacturer, even though it's under their responsibility, we would be involved in that within 24 hours. We have a very good working relationship. One incident that was reported in the last few days around apple cider was a CFIA responsibility. It was our information that was the basis of their recall. So it's a two-way street in terms of sharing information with our federal colleagues.

Mr Hastings: What is your sense of the overall security of our food supply when it comes to potential bioterrorism threats? Is it the industry's responsibility, the respective companies—large, small and middle—to really screen the type of people they're hiring? You can get some experience in a retail butcher shop or in a large food chain. You could go and work in an abattoir and be hired pretty quickly. What's your sense of comfort about that whole area?

Dr Ingratta: It is an area that is on the forefront of people's minds as a result of the last six months' activity. There are different levels of responsibility. Certainly the federal, provincial and municipal governments have a responsibility in the area of bioterrorism. We've worked diligently with our federal colleagues, CFIA, to deal with issues like BSE and foot and mouth. That's not necessarily bioterrorism, but developing protocols to deal with people who would wilfully attempt to impact on the system. We have protocols developed there within the province. The Ministry of the Solicitor General has the lead in this area. We participated in the area of food and food safety in developing those protocols. We've developed those systems to react. The challenge of course is that if there's something totally unorthodox—it may happen—the question is how quickly we're able to respond. I think we have processes in place that are dealing with that.

Your question was more specifically to the plants themselves and the people they hire. In conversations that we've had with owners of slaughterhouses, abattoirs and food processing facilities, they know this is an issue. Many of them have in place protocols to deal with it. They are not just simply picking people up off the street and coming to work in their facilities. They know it's an

issue and many of them have in place written protocols to deal with it.

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Mr Hastings: Do you know in fact whether they are requiring prior police inspections or clearances?

Dr Ingratta: I do not know that.

Mr Hastings: OK. Turning to the national dairy code that you mentioned in your response to the auditor's report, what specific issues still require resolution before Ontario may adopt the national dairy code or join the national dairy code?

Dr Ingratta: I'm going to have to turn that question to Dr Baker.

Dr Baker: In most areas, Ontario cow milk regulations are equivalent to or, in many cases, even above the national dairy code. That being said, there are a couple of areas I can think of that we will be bringing as we amend our regulations. One is on the control of shipping temperatures for milk. Right now, there appears to be a regulatory gap there, and I believe the auditor spoke to that. The other is on bacterial standards for finished products, which was also in the report. So those are two areas we look forward to in our new regulations, integrating what's in the national dairy code because those issues are addressed in that national code.

Mr Hastings: When it comes to the export of milk products or other meat products, do we have any higher standards that the EU has to meet when they want to ship their stuff to North America, or is it generally the other way around?

Dr Ingratta: There are a number of interesting little ones like the wooden shovel that I talked to you about. But Canada did impose a ban on bringing in meat products from a number of countries, particularly processed meat products, when the BSE issue and certainly foot and mouth were concerns. Canada has the ability to put in place some restrictions, so that is possible.

Mr Hastings: One other internationally focused concern: recently I noted that there was a media report that the US Department of Agriculture did not do its follow-up on a meat provisioning plant in Mexico, I think south of El Paso. They inspected it and then didn't follow up on their inspections over two years. The operation changed its name, did a number of things, but they still managed to ship processed meat products to the US. Do you ever see any chance of that occurring in Canada, given the CFIA's responsibility for the inspection of incoming products from other parts of the world?

Dr Ingratta: Certainly the systems and the protocols are in place to attempt to ensure that does not happen. I can't speak to the fact that it would never happen. The intent is to ensure that that does not happen. The CFIA would take that as a part of their responsibility.

Again, if you speak internationally, the Canadian Food Inspection Agency has developed a fairly positive reputation internationally. They seem to have put in place good protocols—science-based, rational protocols. So they do have a good reputation internationally.

Mr Hastings: And that's what we need to follow in some of the recommendations that you have to complete over the next 18 months? You talked about science-based outcomes of many of these areas, especially in the meat area.

Dr Ingratta: Not necessarily "follow," because again, using that shovel example, we don't want to necessarily follow that, but on the food safety side, yes, I think it would serve Ontario and the other provinces of Canada well to have the same food safety standards and protocols as they have federally.

The Vice-Chair: Thank you, Mr Hastings. Any more?

Mr Hastings: No further questions.

The Vice-Chair: There was a question that I think the deputy minister raised and then he kind of looked at the Provincial Auditor, so I should give him the opportunity to answer that. It was during Ms Martel's questioning.

Mr Erik Peters: It's a very quick answer. Yes, there were implications in the 1991 report that more cost-effective ways of inspection should be looked at. At that time my office did not make explicit recommendations, but it was implied. So we agree with you.

Dr Ingratta: If I might, Mr Chair?

The Vice-Chair: Yes, you may.

Dr Ingratta: On the question from Ms Martel relative to the dollars allocated and spent on meat inspection—apples with apples, if you will—in 1994-95 it was \$8.1 million; in 2000-01, \$4.9 million.

Mr Gerretsen: I certainly concur with you that particularly with what's been happening, not just in the last six months but I suppose in the last two years, when we look at what's been happening to the water inspection and the Walkerton tragedy etc, as well as September 11, inspection standards at all levels, for food or water or what have you, have to be made better and obviously will be looked at to a much greater extent.

Did I understand you correctly when you stated just a few minutes ago, I think it was, to the last question that Mr Hastings asked, that you believe we should have the same standards federally and provincially as far as the food inspection area is concerned? Is that what you said?

Dr Ingratta: I attempted to be specific in saying that the level of food safety, the protocols around food safety and harmonization of those food safety ones, was important. I was less supportive of all standards. As I pointed out with this issue of the shovel, if you want to operate a federally inspected abattoir, you have to deal with those shovels. I don't know if we need to go there, but in terms of food safety I think we need to ensure that we have in place the best available science-based food safety system, the best that's available.

Mr Gerretsen: So you don't necessarily equate food safety with food inspection?

Dr Ingratta: Food inspection is a part of our food safety system, yes.

Mr Gerretsen: I wanted to get back to the shovel that didn't have a wooden handle on it that I guess is required federally. When the federal system comes up with a standard, do we evaluate that in Ontario as well to see

whether or not it makes sense to us? As a layperson, it sounds to me as if the standards that we set for meat that is produced and sold in Ontario are less than the way we handle a similar meat product internationally or inter-provincially. That causes me some concern.

Dr Ingratta: If that's the perception you have, then I think we need to work diligently to dispel that perception. If you have that perception because we have wooden handles in the holding bin, that's one thing. If you have that perception because you think we don't have the same level of competence and expertise in the inspection and the regulatory and food safety system, then I think that's a wrong perception.

Mr Gerretsen: What are you saying, then? Are you saying that, as far as we're concerned, some of the federal standards that may have been imposed by the international situation because we want to export to those countries, the standards in effect that other countries demand of our meat, we don't agree with here in Ontario?

Dr Ingratta: That would be correct.

Mr Gerretsen: And we're basing that on what criteria?

Dr Ingratta: I could give you some more examples about the quality of the stainless steel, that type of thing. Essentially we're attempting to base our standards on sound scientific practices in the abattoir.

Mr Gerretsen: But wouldn't the federal people say exactly the same thing?

Dr Ingratta: They may, except if the exporting country demands it, it may not be a point of decision that the federal government can pursue. If it doesn't have an impact on food safety, it's not a protocol that we should impose upon our abattoir if they're not going to sell internationally. Be clear that our provincially licensed abattoirs do not sell internationally. If they wanted to get into that game, they would have the stainless steel shovels; they would have to.

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Mr Gerretsen: It just seems to me that there is a disconnect when we say that we want to have the same international standards of food safety but not necessarily adhere to the same internationally demanded standards for inspection. Are we that much smarter here than other countries are demanding something that really isn't needed, or are other countries doing it in order to protect their own industry in some respect? I don't know. It seems to me that what's good internationally and inter-provincially ought to be good for our people inside Ontario as well.

Dr Ingratta: There would be more than one non-trade tariff barrier. I would use as an example—and I apologize if we're moving outside of Ontario—the situation that existed in Prince Edward Island last year in attempting to export seed potatoes into the US. We followed every international standard in terms of—when I say “we,” our federal colleagues and our Prince Edward Island colleagues—screening. That was still not good enough for the US. Many cynics believed that the large

potato holdings in Maine and Idaho were the reason they put up this supposedly scientific barrier.

Mr Gerretsen: All right. We'll leave the international scene I guess to the federal politicians to deal with. I am concerned though about the other numbers that you gave in reply to one of the questions. That is, that in 1995 we spent \$8.1 million on food inspection and in the year 2000 we spent \$4.9 million, and that somehow equates to the number of people we had employed as well, because earlier you gave an answer to Ms Martel that in 1995 we employed 103 full-time people, 79 contract, and now we employ eight full-time people with 139 contract employees, and 139 equates to about 65 full-time people. So roughly our inspection staff has been diminished by 50% since 1995.

Mr Hastings: It's called working harder.

Mr Gerretsen: My colleagues are saying they're working harder. I know, you can actually do more with less money. I know that whole argument; I've listened to it for six years.

Are you trying to convince this committee somehow that we are getting a better food inspection system for \$4.9 million now than we did for \$8.1 million back in 1995 using roughly half the number of people we had inspecting then? Is that basically what you're saying? Are the ministry people getting so much smarter, are our technologies getting so much better, our internal mechanisms so much better, that we can actually do something for half the money better than we did five or six years ago? Is that what you're saying?

Dr Ingratta: I won't repeat for you the four reasons why we think we've improved the efficiency of the system, the fewer number of abattoirs etc, but what I will say to you is the question was raised on how many dollars are we spending on inspection, and we provided those numbers. I think I've also been very clear in saying that in addition to those inspection dollars we've brought in 37 new staff. That will be the basis of the improved system. So you ask me, do we have and will we have a better system? Yes, but it will take more than \$4.9 million for the inspectors. To pay those food scientists, the policy people who have developed the new legislation and will develop the regulation, it'll be more than \$4.9 million. In combination with that expenditure on inspection and these other individuals who are providing the enhancements to the system, yes, we will have a better system.

Mr Gerretsen: Let me make it perfectly clear, I realize that you can only do with the resources—you know, with as much as you're given by the political element that basically sets the annual budgets etc. My questioning wasn't intended to attack your ministry. I just find the whole situation a little bit—you know, if we can actually get twice the result with half the money, then that's a pretty good thing. I somehow doubt it.

Let me ask you this: you were saying there are 229 licensed provincial—

Dr Ingratta: Two hundred nine.

Mr Gerretsen: Two hundred nine. How many of those are franchise operations, in effect owned by the same organization or the same company or the same firm? Do you know that offhand? Could you give me a rough number?

Dr Ingratta: I'd have to turn to Dr Baker on that one.

Dr Baker: Offhand, I can't think of any that are not independently owned.

Mr Gerretsen: They're all independently owned?

Dr Baker: I believe so.

Dr Ingratta: There are a number that would have a relationship with a federally inspected plant. There are a few of those, but my understanding of your question around franchises—

Mr Gerretsen: They're not owned by the same company, in other words.

Dr Ingratta: No. Most of these are independent businesses.

Mr Gerretsen: The reason I'm asking is that I'm looking at one of these fee-for-service agreements that an individual signs, and one of the clauses in that is number 9, that the meat inspector during the term of this contract will not engage in the slaughtering, processing, packaging, distributing or otherwise handling of meat or meat products with the plant operator where he is assigned.

To me, that is pretty loose language. It's quite obvious that if somebody does an inspection in plant A, they can't do slaughtering and all those other things in plant A. But it doesn't prevent that person from working in any of these areas in plant B, that might have a connection to plant A in a distant sort of way. In other words, the conflict-of-interest clause that I would have preferred to see in a contract like this—this isn't quite as airtight as it could have been, in my opinion. Do you have any comments on that?

Dr Ingratta: You have raised the issue of conflict previously. That clause fairly clearly indicates how the contract inspectors need to separate themselves from any of the abattoirs in which they are doing inspections. We make that very clear to make sure there is no relationship there. What that individual does outside of their contract time with us, their other forms of employment, we have very little sway over that, and I think we're very clear, as long as they don't have any other relationship with the abattoir they're inspecting.

I'd be interested in hearing your additions to that conflict of interest and certainly would take that information under advisement at this point.

Mr Gerretsen: The reason I asked the question is because the clause talks about "with the plant operator where he is assigned," and I was under the impression that if a plant operator owned two or three plants, maybe he could work in one of the other plants. But if you're saying that all these plants are individually owned, then presumably that kind of conflict wouldn't apply. But would you not agree with me that if these people were indeed full-time employees of the ministry, under the strict proviso that they could not work anywhere else in a

related field, there is much less likelihood of a person being involved in any kind of conflict?

We're talking here about the inspection of food that we consume on a daily basis. I find it extremely difficult to understand how we can allow the inspection of that to be left to part-time individuals. That's nothing against the individuals themselves, but I would have thought this would be a major safety regard that the people of Ontario have, to make sure their inspectors don't have a potential conflict with somewhere else. These people are entitled to earn a living, and if they only work six or eight hours a week doing this stuff, and obviously they're working in the food area, it would make more sense to make them full-time so that potentially they wouldn't be in conflict. Do you have any comments on that? Would you like to see them as permanent employees?

Dr Ingratta: On the issue of conflict, I think I've addressed the point that we feel the clause limits the potential for conflict. You've made a point that if they were full-time employees, there would be less opportunity for conflict. Certainly, if they were working a full-time job with the ministry, there just naturally would be less time for them to be involved in another activity. So that's a fairly straight-line logic if they were full-time.

The position we've taken this afternoon and this morning and going back to the 1991 audit report is that in many cases there's not a full-time job available in that region as a meat inspector. So I would argue that it would not be appropriate to have a full-time employee in that area if there's not a full-time job in that area.

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Mr Gerretsen: Just one final question, and that deals with the—

The Vice-Chair: I thought you started by saying you had one, but that's OK; you still have time.

Mr Gerretsen: Thank you. That deals with the fine situation. You stated that there was a fine recently levied of \$10,000. Maybe you can outline the circumstances of that, because \$10,000 may mean a lot to some people, but to a giant organization that may make millions of dollars as a result of whatever law they contravened, a \$10,000 fine may not be all that relevant. It always reminds me a little bit about the \$5,000 fine that somebody can get for parking in a handicapped spot. You wonder how often that's going to be levied. In other words, the fines really don't mean anything, do they? It's only the other things that surround the fine that make it relevant. What was the \$10,000 fine levied for?

Dr Ingratta: There are elements of that fine that are a matter of public record and I'd ask Dr Baker to provide those.

Dr Baker: There were, as I understand it, 18 charges that were laid under the Meat Inspection Act. This was not a large company. It was actually a backyard operation, so I presume this was a substantial fine for this individual. I don't have the official names of the charges, but they were operating a slaughterhouse without a licence, ante mortem inspection, those types of charges under the Meat Inspection Act.

Mr Gerretsen: I see. Thank you very much.

The Vice-Chair: Ms Martel, do you have questions?

Ms Martel: I have two sets of numbers now from the ministry and I want to go back to make sure that I understand clearly what I've got. I had under "Meat inspection program budget, 1995," \$8.62 million, and 2001, \$11.43 million. Is that correct for a line that reads "Meat inspection program budget"? Because then you gave us a second set of figures, which I'll deal with next.

Dr Ingratta: Yes, that's the overall budget. The specific number that I believe you're trying to get to was for the food inspectors themselves.

Ms Martel: Salaries. So the second set that you gave, which is 1995, \$8.1 million, and 2001, are strictly salary dollars of meat inspectors?

Dr Ingratta: To support the meat inspectors, yes.

Ms Martel: The additional allocation over and above, for example, 2001, \$4.9 million to \$11.43 million, that difference would include what in that budget?

Dr Ingratta: Dr Baker will provide some details, but that begins to support those other activities.

Ms Martel: The 37 new jobs, for example?

Dr Ingratta: That type of thing, yes.

Ms Martel: But not lab testing, because you told me that was already out.

Dr Ingratta: That's correct.

Dr Baker: It would include the audit program, for instance, the veterinary support for that, some of the baseline studies that we're doing on microbial pathogens on beef and hog carcasses, those types of research studies

that we'd broadly categorize as meat inspection, although they're not maybe historically what we had thought of as meat inspection. But they relate to the safety of meat. So it's a broader category.

Ms Martel: All right. That's great, thanks.

The Vice-Chair: Any further questions?

Dr Ingratta: If I might, Mr Chair, there is one issue that I'd like to provide potential correction on. This morning we got into some dialogue around four degrees and refrigeration. I don't want to leave the committee with the impression that—the auditors and our audit of the abattoirs did identify a situation where a carcass may have been above that four degrees Celsius. The Provincial Auditor reported on that. What I hope to have an understanding of in this morning's discussion is that that case was identified. We have a process now in place to ensure that mitigating factors are in place to minimize that type of thing happening. If we gave the impression that it never happened and the Provincial Auditor included it in the report, that would be incorrect. Our own audit would have identified a case where inappropriate refrigeration was used, but I would emphasize that the process is now in place to ensure that that practice is minimized in the future.

The Vice-Chair: I remind the committee members that the meeting tomorrow will be on the integrated justice program. We will begin at 10 am and it will be in committee room 1. This committee stands adjourned.

The committee adjourned at 1445.

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Staff / Personnel

Mr Ray McLellan, research officer,
Research and Information Services