

Ministry of Agriculture and Food
BRIEFING NOTE FOR MINISTER FOR INFORMATION FOR MEETING TO DISCUSS CHANGES
TO THE FEDERAL SMALL BUSINESS TAX RATE

Ref: 198338

Date: July 14, 2022

Title: Changes to the Federal Small Business Tax Rate

Issue: Minister of Finance, Honourable Selina Robinson, has requested that Minister of Agriculture and Food, Honourable Lana Popham, provide input into the impact on farmers of changes to the federal small business tax rate.

Background:

- There are two corporate income tax rates in Canada. In British Columbia (B.C.), the rates are the general (12 percent) and the small business rate (2 percent). The small business rate applies to income under \$500,000 received directly from business operations.
- Access to the small business rate is reduced when a business has taxable capital over \$10 million and is completely removed if taxable capital is over \$15 million.
- The federal government is proposing increasing the maximum taxable capital amount to \$50 million, allowing for reduced access between \$10 million and \$49.9 million.

Discussion:

- This change benefits many capital-intensive businesses, such as farming operations, by allowing for more companies to take advantage of a lower tax rate.
- The marginal effective tax rate (METR) (estimate of the level of taxation on a new business investment) for agriculture in B.C. is 21.3 percent, which is the highest in Canada.
- An increase in the maximum taxable capital allowance for access to the small business tax rate would reduce the METR for B.C. farmers. This change would:
 - Decrease the financial burden for new entrant farmers, and
 - Increase the profitability and competitiveness of B.C.'s agricultural sector.
- Most B.C. farms are under the \$500,000 income threshold and already eligible for the small business tax rate.
- 1634 farms are over that threshold, and could access the small business tax rate on a greater amount of their income if the maximum taxable capital amount is increased, as there is greater room between the amounts eligible for reduced access.

Suggested Response:

- s.13

Contact: Lauren Yawney, A/Team Lead, Legislation, 236 478-3443

DIR _____ ADM _____ DM _____

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Ministry of Agriculture and Food
BRIEFING NOTE FOR MINISTER FOR INFORMATION FOR MEETING WITH PROTEIN
INDUSTRIES CANADA

Ref: 198341

Date: July 22, 2022

Title: Meeting between the Ministry of Agriculture and Food and Protein Industries Canada (PIC)

Issue: Minister Popham has been invited to a meeting with PIC CEO, W.L. (Bill) Greuel to discuss their continued alignment with the Government of B.C.

Background:

- PIC is an industry-led, not-for-profit organization created to position Canada as a global source of high-quality plant protein and plant-based co-products (CEO bio in Appendix A).
- PIC is one of Canada's Five Global Innovation Clusters which bring together businesses, post-secondary and research institutions, and non-profit organizations to boost economic growth and job creation through partnerships and projects.
- PIC works with private sector industry partners to create co-investment projects that have the potential to transform the agriculture and food production sector.
- PIC has received up to \$173M from Innovation, Science and Economic Development Canada. As of fiscal year 2021-22, PIC has approved 49 projects across Canada for a total value of \$476M, with a PIC investment of \$174M and industry investment of \$302M.
- In June 2022, PIC co-authored a report, titled "Game Changers", which projected the Canadian Alternative Protein market to be worth \$290 billion by 2030.

Discussion:

In its correspondence, PIC sets out that it has invested \$56.7 million in seven technology projects in B.C. This includes \$19M that was invested in May with a consortium that included B.C.-based Lucent Biosciences and NuWave Research to develop a micronutrient fertilizer using pea and lentil hulls. While Lucent Biosciences is a B.C.-based company, much of the investment will be in Saskatchewan.

B.C. is challenged in the way of producing and processing some plant protein (such as pulses), compared to the prairies. B.C. is home to many agritech companies that produce plant-based protein and plant-based co-products. Several such companies have received project funding through the CAP-funded Canada-BC Agri-Innovation Program.

B.C.'s innovative companies present opportunities for both PIC and the Ministry of Agriculture and Food to support B.C.-based companies and realize both B.C. and PIC goals. Ministry staff attended a PIC event in April 2022 in Delta that aimed to strengthen the connections between ingredient processors – who are typically in the Prairies – and food producers on the West coast and Central Canada, seeking to enhance Canada's competitive advantage with a further integrated value chain.

PIC had previously authored its 2035 roadmap for Canadian plant-based industry growth with goals that align with the Ministry on regenerative agriculture and agritech, including:

- Canadian plant-based food and ingredients are recognized as sustainable
- Canadian innovations lead to commercialized products and services
- Build and expand domestic companies
- Canada's brand is globally recognized and respected
- Canadian companies benefit from a highly integrated and nimble supply chain

Suggested Response:

- Thank you for the invitation to connect about opportunities for B.C. and Canada in the growing plant-protein market.
- Protein Industries Canada is making important contributions to agriculture with innovative agritech.
- Our government shares similar goals with Protein Industries Canada. We are prioritizing sustainable and productive agriculture that is resilient to and mitigates climate change and supports local and export-markets.
- For example, the Province is developing a Regenerative Agriculture and Agritech Network (RAAN) that will support innovation in B.C.'s growing agritech sector as well as on-farm adoption of technologies to improve production, efficiency, and sustainability. The RAAN will use partnerships and information sharing to make farming more sustainable, use agriculture as a tool to help mitigate the impacts of climate change, and strengthen the provincial food system.
- Further, the Minister's Advisory Group on Regenerative Agriculture and Agritech was recently launched and will advise on strategy and the RAAN.

Contact: Pamela Richards, Senior Manager of Regenerative Agriculture and Agritech,
250-882-3127

DIR GB ADM AL A/DM AL

APPENDIX A: PIC Meeting Attendee

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Bill Greuel – CEO, Protein Industries Canada

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Ministry of Agriculture and Food (AF)
BRIEFING NOTE FOR MINISTER FOR INFORMATION FOR MEETING WITH MLA OLSEN
REGARDING ALR EXCLUSIONS AND FIRST NATIONS

Ref: 198270

Date: July 25, 2022

Title: ALR exclusions and First Nations versus definition of “Indigenous governing bodies” in the *Declaration on the Rights of Indigenous Peoples Act (Declaration Act)*

Issue: Certain First Nations are concerned that the right to self-determination in the *Declaration Act* does not seem to apply to ALR exclusions and First Nations; fish farm issue

Background:

- The *Agricultural Land Commission Act (ALCA)* defines “first nation government” (FNG) in relation to settlement lands, treaty lands, and proposed settlement lands.
- The *Declaration Act* defines “Indigenous governing body” (IGB) in relation to rights recognized and affirmed by section 35 of the *Constitution Act, 1982*.
- Treaty First Nations are given exclusion request powers under the ALCA for land included in their Treaty lands. FNGs are also given the same powers as local governments under the ALCA and its regulations.
- Public bodies can be designated under the ALCA by regulation. These public bodies can make exclusion applications.
- This regulation-making power can capture those Indigenous entities that are not currently covered in the ALCA but have authority to make land use decisions.

Discussion:

- s.16

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Wallace Drive fish farm:

- The facility is located on Agriculture Land Reserve (ALR).
- While two complaints were filed with the Agriculture Land Commission (ALC), ALC’s compliance and enforcement staff did not find any non-compliance with the *Agricultural Land Reserve Act* and Regulation.

Suggested Response:

- AF is keen to understand whether there are gaps in the ALCA for Indigenous governing bodies and explore ways we can address this misalignment.
- To date, AF has received no communication from Indigenous peoples that any Indigenous governing body is unable to apply to exclude land from the ALR.
- s.13

Wallace Drive Fish Farm

- Aquaculture, hydroponics, and aquaponics are permitted activities on the ALR. ALC compliance and enforcement staff have not found any non-compliance with this site.

Contact: Yichuan Wang, Senior Legislation Analyst, 236-478-3359

A/ED JS ADM AL DM A/DM AL

Ministry of Agriculture and Food
BRIEFING NOTE FOR DEPUTY MINISTER FOR INFORMATION FOR MEETING WITH BC SPCA

Ref: 198356

Date: August 10, 2022

Title: Deputy Minister Meeting with British Columbia Society for the Prevention of Cruelty to Animals (BC SPCA) Executive

Issue: BC SPCA Executive have requested a meeting with the Deputy Minister to discuss BC SPCA facility closures and capital construction, and the results of the farm inspection pilot.

Background:

The BC SPCA is a not-for-profit society and registered charity with the mission to protect and enhance the quality of life for domestic, farm and wild animals in British Columbia (B.C.). The role of the BC SPCA includes enforcement and community outreach. The BC SPCA was created in 1895, and it has authority under the *Prevention of Cruelty to Animals Act* (PCAA) to conduct animal welfare inspection and enforcement activities. The PCAA is part of B.C.'s legislative framework that protects the welfare of domestic, livestock and working animals.

The BC SPCA is almost entirely funded by private donations. Over the last decade the Provincial government has provided over \$12 million in funding to the BC SPCA to support facility construction, repairs and upgrades, inspector and agent training, and pandemic response.

A meeting was requested with the Deputy Minister to discuss:

- 1) BC SPCA Commercial Farm Animal Inspection Pilot Program: Report to the British Columbia Ministry of Agriculture and Food (Report)
- 2) BC SPCA facilities update

Discussion:

Commercial Farm Animal Inspection Pilot Program

In a letter to the Ministry of Agriculture and Food (the Ministry) dated June 23, 2021, the BC SPCA advised it was planning to complete unannounced compliance inspections of commercial turkey, pork, eggs, chicken, and beef farms. In April 2022, BC SPCA inspections were concluded. The Report (Appendix A) was submitted to the Ministry on August 2, 2022.

s.13; s.15

BC SPCA Facilities

The BC SPCA operates several facilities throughout B.C.:

- approximately 43 community animal centres (animal shelters),
- three farm animal recovery and adoption facilities (Surrey, Nanaimo, and Kelowna),
- one wild animal rehabilitation centre (Victoria),
- two veterinarian hospitals (Vancouver and Penticton),
- one provincial office (administration),
- two spay neuter clinics (Prince George and Kamloops), and
- two tri-cities education and adoption centres.

A facility review in 2013 by the BC SPCA, and updated in 2019 to include all BC SPCA facilities, resulted in their adoption of a long-range Facilities Development and Services Plan (FDSP). The FDSP seeks to improve or replace facilities over a 16-year period (2014 to 2029) at a cost of \$117.5 million. The first phase of FDSP is complete (2014 to 2018) and covered facility replacement or redevelopment at six facilities (at a total cost of \$18.97 million). The second phase of FDSP covers a five-year period (2019 to 2024), and the projected total cost of this phase is \$51.4 million. The latest version of the long-range FDSP has not yet been approved by the BC SPCA Board. See Appendix B for government funding for BC SPCA facility upgrades and repairs.

The BC SPCA recently announced, as of August 11, 2022, permanent closure of the Burnaby Veterinarian Hospital due to lack of licensed veterinarians in B.C. In addition, the BC SPCA community animal centres in Fort St. John and Quesnel have been closed due to facility structural issues.

The BC SPCA is currently advancing two capital projects, one in Cowichan and the other in Vancouver. In Cowichan, an existing community animal centre is being replaced and will also serve as an animal behaviour centre, the first of its kind in Canada. In Vancouver, the largest capital project in the history of the BC SPCA^{s.17} is being undertaken to replace and upgrade the provincial office, Vancouver animal shelter, and Vancouver Animal Hospital and Education Centre.

Suggested Response:

- Thank you for sharing the Pilot Program Report. I have asked Ministry staff to review the Report.
- s.13

- Thank you for sharing the updates on BC SPCA facilities. I would be interested to review the revised long-range Facility Development and Services Plan once it is approved by the Board.
- Specific grant requests for facility repairs or upgrades will need to be submitted to my office for review by Ministry staff and consideration by the Minister.
- Thank you for meeting with me today. The Ministry appreciates the work and dedication of the BC SPCA in ensuring the welfare of domestic, livestock and wild animals in B.C.

Contact: Jacqueline Cushing, Senior Policy Analyst, 778-974-2976

A/DIR LY A/ED BO DM PP

BC SPCA COMMERCIAL FARM ANIMAL INSPECTION PILOT PROGRAM

REPORT TO BRITISH COLUMBIA MINISTRY OF AGRICULTURE AND FOOD

Author: BC SPCA Cruelty Inspection Department

Date: July 29, 2022

BCSPCA
SPEAKING FOR ANIMALS

EXECUTIVE SUMMARY

Farm animals represent the largest group of animals in British Columbia, with more than 22 million raised in the province annually. British Columbians are increasingly demanding transparency and accountability for the care of commercially farmed animals; however, the province has no proactive, independent compliance system to monitor and report on the welfare of these animals or farmers' adherence to minimum national standards agreed to by the industry itself.

The *Prevention of Cruelty to Animals Act* (*PCA Act* or *Act*) was never designed, nor should it be considered, as a substitute for a proper mechanism to ensure ongoing compliance with industry-approved minimum national farm standards. The responsibility for implementing and monitoring such a system lies with the provincial government, the farmed animal industry and farmers. The role of The British Columbia Society for the Prevention of Cruelty to Animals (BC SPCA) is a distinct and separate one - to serve as the government appointed agency enforcing the *PCA Act* and investigating specific allegations of farm animal cruelty.

In response to growing public concern for farm animal welfare and the lack of such an independent compliance verification system, the BC SPCA undertook a proactive inspection pilot program pursuant to the powers articulated in section 15.1 (s.15.1) of the *PCA Act*. It should be noted that the provincial government provides no support to the BC SPCA for any work carried out under the *Act*, including s.15.1.

By nature of its limited focus, the pilot inspection program was not intended to comment on the current welfare of animals on farms across the province, but rather to determine whether the current regulatory framework is sufficient for ensuring that welfare.

The initial conclusions drawn from the pilot program indicate that the inspection power set out under s.15.1 of the *Act* cannot, by itself and in the absence of meaningful independent verification, assure acceptable farm animal welfare in BC. In addition, while recognizing the small sample size, the results of the pilot program raise a significant level of concern as it relates to the denial of entry to inspect 30% of the farms.

As a result, the BC SPCA recommends that the Province establish a proactive, independent inspection and compliance system for commercial farm animals, separate from the BC SPCA and the *PCA Act*. In the interim, the BC SPCA will continue to conduct a small number of inspections under the authority of s.15.1 over the course of the next two years to supplement existing data and to further determine options concerning potential denial of entry during such inspections.

BACKGROUND

British Columbians are concerned about food security and sustainability and are proud to support the province's farmers.ⁱ However, they want and deserve to know how their food and animal products are raised and processed. There must be robust systems to identify farms that do not meet minimum standards, and mechanisms to help improve their practices. This requires an independent, proactive inspection system for all farms that raise animals for food or fiber, in addition to a separate, clear process to investigate and charge those who abuse or neglect animals.

THE BC SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

The BC SPCA's mission is to protect and enhance quality of life for domestic, farm, and wild animals in the province. In 1895, the Government of British Columbia created the BC SPCA through the *PCA Act*, giving the Society the power to enforce the *Act* by investigating complaints and recommending charges to Crown Counsel.

The BC SPCA is an animal welfare organization guided by its [mission, vision, guiding principles, and charter](#). The BC SPCA researches and publishes science-based [position statements](#) to educate and advocate for changes to further protect and enhance the lives of all animals in BC.

Although the positions of the Society are clear, the BC SPCA from time to time faces conflicting criticisms and accusations – of being aligned with animal rights ideologies by some, and conversely of protecting the interests of those who raise animals for profit by others. This conflict may arise from the fact that, although the BC SPCA strongly advocates for science-based advances in animal welfare through social, policy and legislative changes, its Special Provincial Constables, who enforce provincial legislation and in particular the *PCA Act*, must work within the laws as it currently exists.

FARM STANDARDS IN BC

Canada's minimum standards for farm animals are outlined in the National Farm Animal Care Council's (NFACC) Codes of Practice (Codes). NFACC coordinates the development of the Codes for farmed animals in Canada and brings together diverse stakeholders including farm industry associations, animal welfare representatives, animal welfare enforcement officers, provincial and federal government personnel, veterinarians, scientists, transporters, retailers, and processors. The Codes serve as a "national understanding of animal care requirements and recommended practices."ⁱⁱ

As part of the Code development process, farm industry representatives commit their industry to acceptance and implementation of the Code requirements.ⁱⁱⁱ Although adherence to applicable Codes is a prominent feature of industry communications about farm animal welfare,^{iv} not all industries inspect farms to ensure they are meeting the Code. Where inspection programs do exist, they are run by the national industry associations and public reporting on results is extremely limited, providing virtually no transparency or accountability about the care and treatment of farm animals. Current legislation in British Columbia does not permit the provincial government or the BC SPCA to inspect farms for compliance with the Codes, which include mandatory requirements, as they are not a "positive duty" under the *PCA Act*.

PUBLIC CONCERN FOR FARM ANIMALS AND CURRENT STATE

2021 Research from the Canadian Centre for Food Integrity showed that Canadian consumers are concerned that the food industry is entirely driven by profit. Further, there has been a significant decline in the number of consumers who feel that the Canadian food system is heading in the 'right direction'.^v

A survey by the BC Agriculture Council showed that only 17% of residents strongly agree that BC farmers care for the animals they raise, and that concern for humane treatment of animals has increased since 2018.^{vi} This concern for farm animals is growing despite industry assurances that farmers take good care of their animals and an increase in industry-led farm animal welfare assurance programs.

The continued broadcast of undercover video footage, some of which is illegally obtained, appearing to depict clear animal abuse on BC farms has further eroded public confidence in the system, with increased scrutiny for all participants in the system, including the role played by the BC SPCA. The lack of public understanding about

the enforcement role of the BC SPCA and the responsibility of government and industry to ensure welfare compliance of B.C. farms has led to increasing - and we believe - unfair criticisms of the Society and its work.

The lack of a proactive, independent compliance system is a significant weakness in BC's animal welfare framework. There is no legal accountability for adherence to the minimum standards set out in the Codes of Practice, and there is virtually no transparency to the public regarding the treatment of animals on commercial farms.

PCA ACT S.15.1 INSPECTION PILOT PROGRAM

BC SPCA POWERS UNDER THE ACT

In 2011, the BC government, in the aftermath of the Whistler area sled dog case, amended the *PCA Act* to include broader inspection powers for "regulated activities." Section 15.1 of the *Act* provides the BC SPCA, as "authorized agents", the ability to enter "any premises or a vehicle where an operator is engaging in a regulated activity for the purpose of determining whether this *Act* and the regulations made under it are being complied with."

The *Act* prohibits causing or permitting distress to an animal. However, s.24.02 of the *Act* lists defenses for causing animal distress, including:

"A person must not be convicted of an offence under this *Act* in relation to an animal in distress if the distress results from an activity that is carried out in accordance with reasonable and generally accepted practices of animal management that apply to the activity in which the person is engaged."

In 2019, the provincial government, on its own accord, created the *Animal Care Codes of Practice Regulation* under the *Act*, which defines "reasonable and generally accepted practices of animal management" for commercial farm sectors with a Code published before 2019. The regulation also classified commercial farming of animals with an NFACC Code of Practice (including but not limited to pigs, dairy cattle, beef cattle, laying hens, meat chickens ('broilers'), and turkeys) as a regulated activity.

Whether by design or unintentionally, this classification gave the BC SPCA the ability to enter and inspect these types of commercial farms to ensure adherence to the *PCA Act* and associated regulations. Despite the very large number of animals and operations included in this new inspection authority, no government support was provided to the BC SPCA to undertake these activities. Since that time, due to its already large case load (the investigation of approximately 8,000 complaints annually by only 30 Special Constables, all funded by donors) the BC SPCA has not had the capacity to use the proactive inspection provisions in s.15.1 of the *Act*. Instead, farms have been inspected when a complaint of an animal in distress is received.

The BC Government website provides the following response to the frequently asked question "How are farm animals protected in BC?"

"Animal welfare and an effective regulatory system to address animal cruelty is a B.C. Government priority. The Prevention of Cruelty to Animals Act (PCA Act) is the primary source of protection for farm animals in B.C."^{vii}

This appears to suggest that the provincial government sees the *Act* as the primary tool to ensure regulatory compliance on farms and, by implication, s.15.1 then becomes the tool to ensure such compliance. In light of recently broadcasted undercover footage, many British Columbians came to that same conclusion. The BC SPCA, as a non-funded agent of government, undertook a limited pilot program to determine whether the *Act's*

s15.1 powers are sufficient to provide that assurance, and to gage overall support among government and industry for such an endeavour.

PILOT INSPECTION PROGRAM

In 2021, after advising government and industry associations¹ of the intention to do so, the BC SPCA conducted unannounced inspections on 10 farms from various sectors (pig, dairy cattle, beef cattle, laying hens, meat chickens, turkeys). The pilot size was limited as we receive no funding for the inspection pilot and the BC SPCA continues to prioritize responding to urgent complaints of animals in distress across the province.

The pilot program aimed to determine industry response to the BC SPCA's s.15.1 inspection authority, and provide estimated costs for regular, independent inspections of farms conducting regulated activities across the province. Cost estimates provided are for future program consideration only. This report does not comment on the current welfare conditions on the farms visited. Rather, it is intended to analyze whether a proactive farm inspection program under s.15.1 is an appropriate regulatory approach for farms in BC.

TIMELINE

Year	Month	Activity	External Impacts
2020		BC SPCA began discussions with Ministry of Agriculture and Food (MAF) re: BC SPCA's role in commercial farm enforcement	COVID-19 pandemic
2021	Jan	BC SPCA and MAF discussed <i>PCA Act</i> enforcement on farms	
	Feb	BC SPCA notified MAF of intention to inspect under s.15.1 of the <i>Act</i>	
	Mar	BC SPCA met with MAF re: commercial farm animal welfare compliance	
	Apr	Program start delayed by COVID-19 related travel restrictions	
	Jun	BC SPCA notified six farm sectors to expect unannounced inspections under s.15.1	
		Industry groups contacted MAF with concerns about the program	
		BC SPCA requested lists of current farmers from BC Turkey Farmers, BC Pork, and British Columbia Chicken Marketing Board	
	Jul	Industry representatives asked BC SPCA to provide inspection documents and brief on what farmers can expect if visited	Wildfires
		BC SPCA asked industry associations to share existing animal care inspection documents	
		BC SPCA provided requested documents to industry but did not receive requested animal care inspections documents from industry	
		Inspections postponed due to wildfires	
	Aug	BC SPCA, industry representatives, and MAF met to discuss pilot details	Flooding
		BC Turkey Farmers and British Columbia Chicken Marketing Board supplied member lists to the BC SPCA as requested	
	Sept	Inspections conducted in areas not impacted by wildfires	Avian Influenza
	Nov	Inspections postponed due to flooding and related travel restrictions	
2022	Jan-Mar	Inspections continued	Avian Influenza
	Apr	BC Pork supplied partial member list to the BC SPCA as requested	
		Inspections concluded	
	Aug	Report provided to MAF	

¹ Notification was sent to BC Pork, BC Dairy, BC Cattleman's Association, BC Egg, British Columbia Chicken Marketing Board, and BC Turkey Association

FARM SELECTION

Farms would ideally be selected at random for this program, but the BC SPCA does not have a list of all premises conducting regulated activities in the province. As noted in the timeline above, the BC SPCA requested complete contact lists for pig, turkey and meat chicken farms. Full lists were provided by the BC Turkey Farmers and British Columbia Chicken Marketing Board and a partial list was provided by BC Pork.

Where possible, farms were randomly selected from the provided lists. However, selections were adjusted based on the feasibility of travel and in response to various factors such as wildfires, flooding, and biosecurity. Farms known to the BC SPCA from previous investigations were also considered for inspection.

INSPECTIONS

The pilot program inspection team consisted of:

- An independent (non-BC SPCA staff) veterinarian licensed to practice veterinary medicine in BC,
- A BC SPCA Special Provincial Constable (SPC), appointed under the *Police Act*, and
- A BC SPCA Regional Manager of Cruelty Investigations (RMCI) with farm specialization (BSA, MSc).

The MAF and industry representatives also requested the attendance of a MAF staff person as an observer. The BC SPCA accepted this request and entered into an agreement with MAF regarding the terms of this attendance.

The inspection team arrived unannounced at each location in unmarked vehicles. Upon arrival, the team introduced themselves to the farm representative and explained the purpose of the inspection. The team accommodated reasonable requests to delay inspection until specific people could arrive, such as an owner or manager, the farm's veterinarian, and/or a representative from the industry association.

When the team was permitted entry, a farm representative provided a tour of the facility, and discussed animal care on-farm with the inspection team. Discussion topics included housing, handling, feed and water, veterinary care, husbandry procedures, monitoring, staff training, and euthanasia procedures. The team observed health and welfare indicators such as animal body condition and cleanliness, illness, injury, and lameness, and environmental conditions such as shelter, feed and water availability, air quality, light, bedding condition and temperature to determine if animals were in distress as defined by the *PCA Act*.

The team took notes on their discussions and observations. Immediate concerns, if any, would be discussed at the time of the visit and either rectified during the inspection or a Notice of Distress could have been issued. No Notices of Distress were issued to farms where access was granted as part of this program.

After each inspection, a farm report noting the team's findings was prepared and provided to each farm. Identifying information collected by SPCs during inspections is protected by the *Personal Information Protection Act* and, as such, versions of the reports containing identifying information remain confidential. Farm representatives can share their report with others at their discretion; however, they are not to be used for marketing purposes and the BC SPCA reserves the right to respond should such material become public. Farm reports do not indicate that the BC SPCA endorses the practices taking place on a farm, only whether any animals were found to be in distress, as defined by the *PCA Act*, at the date and time of inspection.

PROGRAM COST

The BC SPCA invested significant staff time to develop inspection checklists, communicate about the program, and prepare information for farmers and industry representatives. Senior BC SPCA leadership also committed approximately 35 hours to consultations, external meetings with industry and government, and correspondence

with media, government and the public. Salary costs for this BC SPCA staff time to prepare and execute the pilot program was not included in the program costs.

The direct cost for inspection team travel and the contracted veterinarian totaled approximately \$30,000, with indirect costs in staff time estimated at an additional \$30,000.

It is possible that a larger-scale inspection program could identify travel cost or inspection schedule efficiencies; however, the pilot program inspected an extremely small portion of commercial farms in the province. A full-scale inspection program would likely cost in the realm of hundreds of thousands of dollars per year.

INDUSTRY REACTION

As noted in the timeline above, the BC SPCA requested that farm industry organizations from the selected sectors notify their members of the upcoming pilot in June of 2021 and remind them of their obligations to allow the inspections pursuant to the *PCA Act*. The BC SPCA intended to begin inspections in August.

Upon notification of the upcoming inspections, industry representatives clearly expressed their concerns about the pilot program despite the existence of s.15.1 inspection authority since 2019. MAF staff requested that the BC SPCA meet with industry representatives. During these meetings, the BC SPCA received numerous questions including some which were dismissive of our enforcement authority and expertise. MAF initially provided little comment; however, they provided more support for the BC SPCA's legal inspection authority in subsequent meetings with the BC SPCA and a small group of farm industry representatives.

While the BC SPCA understood and recognized the need for industry participation in discussions about the pilot program, we are concerned about the inclusion of the BC Farm Industry Review Board (FIRB) as FIRB is designed to be an independent adjudicator for disputes regarding animals seized under the Act.

During an August 2021 meeting of the BC SPCA, MAF staff and officials, and industry representatives, it became clear that some organizations had not yet notified their farmers of the pilot program. This delay by some industries resulted in short notice to farmers, contributing to threats of violence towards BC SPCA staff. It is also clear from documents obtained under the *Freedom of Information and Protection of Privacy Act*, that some industry representatives lobbied government extensively to prevent the inspections from taking place.

INSPECTION OVERVIEW

Farm	Result
Broiler #1	Inspection complete – no corrective action
Broiler #2	Inspection complete – minor concerns noted
Turkey #1	Denied entry
Turkey #2	Inspection complete – no corrective action
Dairy Cattle #1	Inspection complete – no corrective action
Dairy Cattle #2	Inspection complete – no corrective action
Beef #1	Inspection complete – minor concerns noted
Beef #2	Inspection complete – no corrective action
Hog #1	Denied entry
Hog #2	Denied entry
Layer #1	Did not visit due to Avian Influenza
Layer #2	Did not visit due to Avian Influenza

Three out of the 10 farm representatives (30% of all inspections) refused entry to the inspection team contrary to their legal obligation to permit inspections pursuant to the *PCA Act*. For the pilot program, the BC SPCA chose not to pursue this further.

While it is acknowledged that the sample size is small, the denial of entry should raise significant concerns and could easily be publicly interpreted as the industry or the producer having something to hide, particularly if that denial came from a producer who was already the subject of significant public scrutiny. Going forward, the BC SPCA will explore its legal options relating to denial of entry.

PROGRAM CHALLENGES

Several factors outside of the BC SPCA's control delayed or necessitated changes to planned inspections to protect the inspection team, farm animals, farm representatives and/or the broader community.

COVID-19 - The BC SPCA felt the pilot inspection program was too important to wait for the pandemic to fully resolve. However, careful planning and consideration were devoted to protecting the health and safety of BC SPCA and MAF staff, industry representatives, veterinarians and farmers. Travel was only undertaken when permitted by the provincial government and all COVID-19 safety measures were respected during meetings and inspections.

WILDFIRES - Inspections in wildfire-affected areas and neighbouring communities were delayed until the risk of wildfire had passed.

FLOODING - Inspection activities in flood-affected areas were delayed to allow a focus on rescue and recovery.

BIOSECURITY - Inspections were scheduled to limit the number of farms in the same sector visited consecutively, and biosecurity measures at all farms were respected by the inspection team.

AVIAN INFLUENZA - Inspections at laying hen facilities were cancelled due to outbreaks of Avian Influenza in BC.

FARM LISTS - The BC SPCA has the legal ability to inspect all regulated activities in the province. However, a comprehensive list of premises that conduct regulated activities is not currently available to the BC SPCA nor, from what we understand, to the provincial government. While most commercial farming industries have lists of their member farms, not all farms are required to be members of their industry association and thus may not be known to the association.

INDUSTRY COLLABORATION - The BC SPCA provided information for farmers via their industry associations, including notice of the pilot program commencement, copies of the inspection documents, and a summary of what farmers could expect should they be selected for an inspection. Senior leadership of the BC SPCA participated in a number of industry and government requested meetings throughout the pilot and responded to questions around process and expectations.

In return, the BC SPCA asked industry associations to share their on-farm inspection tools (where these existed) but none were received.

The BC SPCA expected that farmers who comply with the Codes would welcome a process for ensuring adherence to minimum national standards, as farmers who do not meet Codes can discredit and endanger their industry and denying legal access for inspections reduces public faith in farmers and increases support for animal welfare regulations.^{viii} However, the pilot program was met with skepticism

and criticism from some industry representatives, who tried to have government prevent the inspections. In addition and perhaps more concerning, access to inspect was denied by 30% of the farms in the pilot program.

The BC SPCA encourages further collaboration with farmers, industry leaders and associations, animal welfare advocates, and the government, and is grateful for the cooperation of those association leaders and farmers who complied with and contributed to the pilot program. The BC SPCA has always been and will remain open to meeting with industry associations to address areas of concern, but does so under the clear mandate that it is an enforcement agency authorized to address animal in distress according to the provisions of the *PCA Act*.

ACCESS TO INSPECT - Despite the advance notification provided to farmers through their industry associations and the BC SPCA's legal right to inspect regulated activities, access was denied at three of the 10 farms (30%) selected for the pilot program. The inspection team did not force access when denied by the farm operator or their representative.

While recognizing the small sample size, the BC SPCA considers this to be a significant issue going forward and one which requires further discussion with government with respect to legal ramifications and action from industry, particularly if denial of entry is made by producers who are already the subject of public scrutiny. We note that this appears to be a significant public relations issue for government and industry to address going forward.

VETERINARY AVAILABILITY - The BC SPCA contracted a veterinarian with experience in the applicable sector to attend each s.15.1 inspection. The availability of veterinarians was limited by conflicts of interest from existing relationships with farmers, perceptions of their participation from clients, and the existing province-wide shortage of veterinarians.

PILOT SIZE - Given the scope of the pilot program, it cannot be considered evidence of widespread industry compliance with minimum animal welfare standards, or cooperation with s.15.1 inspections. Likewise, we draw no conclusions, only observations from the denial of entry for 30% of inspections.

DISCUSSION

Public demand for increased transparency about farm animal welfare is increasing. A recent study found that 64% of Canadian consumers are very willing to consume meat, milk, and eggs if they are from animals that are treated humanely, but only 33% of Canadian consumers strongly agree that meat comes from humanely treated animals.^{ix} Research also indicates that consumers value government certification of farm animal welfare almost three times more than industry certification of farm animal welfare.^x

A transparent, proactive, third-party inspection system would improve the lives of tens of thousands of farm animals in BC each year, provide transparency and accountability to consumers, and increase confidence in and support for the BC food system. This system does not currently exist.

The BC SPCA, through its 30 donor funded Special Provincial Constables, provides a critical safety net for farm animals by investigating over 8,000 complaints of animal cruelty and neglect annually. It must be noted, however, that the likelihood of public complaints is limited as most commercial farm animals are raised indoors and out of sight from the public eye. Therefore, the ability for the BC SPCA to perform proactive inspections under s.15.1 of the *PCA Act* is and will remain an important tool to provide assistance for farm animals in distress, but is nowhere near sufficient to ensure industry-wide adherence to minimum standards and public satisfaction that a robust compliance system is in place.

The BC SPCA has committed additional financial resources in its 2022/23 budget to continue conducting a small number of proactive inspections over the course of the next two years to supplement complaint-based responses. It is our hope that government and industry will support this process to ensure animals on farms are being raised to minimum welfare standards.

The BC SPCA seeks to work with the government, farmers, industry associations and animal welfare advocates to develop a third party inspection system that is fair, transparent, understood and supported by all parties. Working together, we can create a system that protects farm animals, promotes public trust and food security, and moves our province into a leadership role in Canada and abroad.

RECOMMENDATIONS

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Appendix B – Summary of Past Government Funding for BC SPCA Facilities

Past government funding received by the BCSPCA for facilities:

Fiscal Year	Amount (in millions)	Description
2020/21	1.463	Funding for Animal Care Facilities, pandemic response.
2016/17	5.000	<p>Contribution to new facilities construction. The grant was allocated to two projects:</p> <ul style="list-style-type: none"> • Animal care facility in Prince George, including community animal care centre with facilities for seized companion animals, and an emergency facility. • Flagship BC SPCA campus in Vancouver which will include a large community animal centre, veterinary hospital, and provincial office. <p>A \$5 million grant will remain intact in a capital fund until construction on one or both projects begins. Precise allocation of \$5 million to each project is currently unavailable.</p>
2014/15	5.000	<p>To fund repairs and upgrades to several facilities:</p> <ul style="list-style-type: none"> • Kelowna – large animal recovery and adoption barn (\$100k) • Surrey – cat intake and seizure facility (\$400k) • Nanaimo – community animal centre (\$1.3M) • Castlegar – community animal centre (\$900k) • Dawson Creek – community animal centre (\$800k) • Kamloops – community animal centre and vet hospital (\$1.5M)

Ministry of Agriculture and Food
BRIEFING NOTE FOR MINISTER FOR INFORMATION FOR MEETING REGARDING DAIRY
FARMING IN THE CENTRAL INTERIOR

Ref: 198101

Date: August 18, 2022

Title: Follow up on Minister discussion regarding encouraging more dairy farming and dairy facilities in Northern B.C.

Issue: Opportunities for dairy facilities in Northern B.C.

Background:

There are currently 470 dairy farms in B.C. The Fraser Valley is the largest dairy producing region producing 77% of all milk in B.C. The Okanagan is the second largest region, producing 13% of the provinces milk, followed by Vancouver Island (6% of milk), the Cariboo (2%), the Kootenays (2%), the Bulkley Valley (1%) and the Peace River (0.2%). Milk is pooled and then transported to licensed dairy plants for processing. B.C. currently has 57 provincially licensed dairy plants of which 28 are federally regulated. The majority are located in the Fraser Valley, but processors also operate on Vancouver Island, the Kootenay area, the north Okanagan and Thompson area.

There have been a few new dairy farms in the interior over the last several years, notably in Ashcroft and Hixon. In addition, some large dairy farms in the Fraser Valley have purchased land in the interior to grow feed or to grow out heifers until milking age or to house dry cows. Recently, two dairies from the Fraser Valley purchased a farm in the Vanderhoof area for this purpose. It is speculated that this is done due to high land costs and limited land availability in the Fraser Valley.

Discussion:

Dairy Farm Location

- Quota is managed through the BC Milk Marketing Board (BCMMB). Several considerations must be made for a dairy farm to be relocated to a different region of the province including notification to the BCMMB well in advance. In addition, the farm must fall within the current transportation zones outlined in the BCMMB Consolidated Order and be inspected and licensed by the Ministry of Agriculture and Food.
- Prior to relocation, other considerations include access to feed mills (located on Vancouver Island, the Fraser Valley and the north Okanagan), availability of specialized dairy cattle veterinarians, dairy equipment suppliers and maintenance personnel, and farm labour availability.

Dairy Processing Capacity

- In early 2022, with support of the Ministry of Agriculture and Food, the B.C. Dairy Association (BCDA) completed a report titled “Feeding the future: Advancing dairy processing in B.C.” to examine how dairy processing capacity could be expanded in B.C. to support growth in local milk production and barriers to that work.^{s.13}

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- The BCMMB is the first point of contact for individuals or groups with questions about expanding milk processing in B.C. Any new milk processor must first seek and obtain BCMMB approval prior to establishing their milk processing operation.
- The BC Centre for Disease Control and/or the Canadian Food Inspection Agency issues final processing licences so operators of potential new dairy processing plants must ensure the plant meets regulatory requirements.
- Additionally, a new B.C. Dairy Processing Opportunities Working Group is being formed by the BCDA with representatives from BCDA, BCMMB, Western Dairy Council, and the Ministry of Agriculture and Food. The purpose of the group is to provide a forum for discussion and to conduct a thorough expert review of dairy processing proposals to ensure they align with the long-term vision for enhancing dairy processing capacity, increase the volume of raw milk processed in B.C., and provide long-term sustainability and growth for dairy farmers in B.C.

Suggested Response:

- I appreciate you discussing food security and new opportunities for dairy facilities in Northern B.C.
- The Ministry is supportive of regional expansion in the dairy industry and initiatives to achieve this.
- Ministry staff work closely with the dairy industry to support their vision for enhancing dairy processing capacity, increasing the volume of raw milk processed in B.C., and providing long-term sustainability and growth for dairy farmers in B.C.

Contact: Lori Vickers, Livestock Specialist, 250-793-5640

ED MR ADM DM

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Ministry of Agriculture and Food
BRIEFING NOTE FOR ADM FOR INFORMATION FOR MEETING WITH
KEVIN HALL, PRESIDENT, UNIVERSITY OF VICTORIA

Ref: 198480

Date: September 26, 2022

Title: ADM meeting with University of Victoria President, Kevin Hall

Issue: Minister has asked Arif Lalani to meet with President Kevin Hall on her behalf to discuss a food processing and technology hub in Saanich, B.C, potentially at Vancouver Island Technology Park

Background:

The District of Saanich (District) is active in and has a demonstrated track record of support for agricultural growth in the community and region from a social and economic perspective. The District is currently working on an economic development strategy that includes an agricultural and food processing focus, among other sectors.

The Vancouver Island Technology Park (VITP) is a University of Victoria Enterprise with a 190,000 square foot mix of office space and goal to facilitate the growth of technology by providing physical infrastructure that links resources with emerging or growing tech companies. Current tenants are companies in the life science, IT, software, ocean & marine technology, and consulting space.

Discussion:

On May 24, 2022, Ministry of Agriculture and Food (Ministry) staff met with District representatives to discuss plans to pursue a food processing and technology hub, potentially at VITP. President Hall was unable to attend the meeting. Since then, Ministry Food Hub staff have worked with District staff on a feasibility study funding request. Funding of \$25,000 is allocated in the 2022/23 Food Hubs budget.

In advance of the feasibility study, District staff have had positive discussions with several potential partners, including the University of Victoria and Camosun College, and the feasibility study will identify all potential partners and their respective roles.

Work is almost completed with the District of Central Saanich (C. Saanich) for the region's food hub feasibility study. The Ministry has committed \$50,000 for the Central Saanich Food Hub Feasibility Study to be completed in 2022/23 (funding is allocated in the 2022/23 Food Hubs budget). C. Saanich, through an RFP, has hired Greenchain Consulting to complete the study. C. Saanich have confirmed they will share the findings with the District of Saanich so the new report would build on the learnings from the C. Saanich feasibility study.

There are currently two Ministry-funded food hubs on south Vancouver Island. Kitchen Connect in Victoria is partially open and expected to be completed by early 2023. In Duncan, the Cowichan Farm & Food Hub is anticipated to open by Spring 2023.

Suggested Response:

- The Ministry supports communities in exploring the potential for food processing and technology hubs. There are currently 12 Ministry-supported food hubs operating or under development across the province, with two of these hubs on south Vancouver Island:
 - Kitchen Connect in Victoria – anticipated to be fully operational by early 2023.
 - Cowichan Farm & Food Hub in Duncan – anticipated opening by Spring 2023
- Communities are encouraged to work with others in their region, including post-secondary institutions, to support a robust regional approach to food hubs where feasible.
- Food Hub staff are available to meet with University of Victoria staff to provide information and advice on food hub initiatives.

Contact: Jennifer Walsh, Manager, Food Innovation, 236-478-0562

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