Canadian producers have always faced risks to their farm incomes arising from the forces of nature such as drought, hail and pests or market-based forces such as price fluctuations. For many decades, both the federal and provincial governments have recognized the inherent uncertainties involved in farming and the critical need for a reliable source of national food production. Income stabilization programs were created to support producers when annual farm income sustains moderate to severe losses. On the whole these farm safety net programs were designed to buffer short term, regional misfortune.

In the past decade, Canada’s signing of the NAFTA, the GATT and the formation of the World Trade Organization has resulted in new trading rules for the Canadian livestock industry. Under these agreements, arbitrary barriers to trade are eliminated and replaced by justifiable barriers-a key one pertains to the animal disease status of a nation. The international standards for effecting a trade embargo against a nation- when a serious animal disease is known to exist within its borders- are developed internationally within the Office Internationale des Epizooties. The guidelines ensure internationally recognized scientific standards for fair trade in livestock and their products and are recognized by the WTO, who arbitrates disputes between nations concerning market access under the GATT.

These international trade agreements have enhanced global opportunities for Canada’s beef and pork markets. Over the past two decades Canadian pork and beef industries have expanded their exports dramatically such that they now each export over half of all national production. In 2000, Canada exported 3.7 million hogs, more than 400,000 metric tonnes of pork, along with 1.2 million cattle and 426,000 metric tonnes of beef. During the interval between 1990-2000, the beef sector showed a fivefold increase in beef exports. The hog sector has also shown a steadily increasing trend and a tenfold increase in pork exports over 25 years.

This recent success story of production and trade within the Canadian agri-food sector carries with it an economic vulnerability of colossal dimensions. How so? If Canada were to experience an incursion of a serious foreign animal disease such as Foot and Mouth Disease today, the immediate and internationally legitimate response by all trading partners would be to institute a trade embargo on livestock and all associated products. Since the OIE guidelines recommend a waiting period of three months beyond the last recorded case of the disease, a Canadian embargo would be nationwide and protracted in duration.

While several options may exist, one internationally recognized solution-Zoning-is well known but not currently utilized in Canada. Zoning involves partitioning the country -in
the face of a disease incursion into disease-free zones. Trade is resumed from these zones within weeks to several months after the first case of the disease as opposed to waiting until three months after the last case. A six month trade ban appears to be the minimum duration in the absence of a Zoning Program. Overall, Zoning provides a formal mechanism for re-instating trade from one part of the country despite the occurrence of a major disease outbreak in another. The guidelines for Zoning are outlined in the OIE’s Animal Health Code.

Under this concept, each zone must operate as a “little country” apart from the rest of the nation during the disease incursion. The zoning precautions must be in place before any disease is found, so that the system is primed and ready to respond. In order for Canada’s disease-free zones to be recognized internationally, the provincial entity offers the best jurisdictional framework to direct the process. There are eight infrastructural and technical requirements for creating these zones. Fortunately, Canada already has five of these pre-requisites well established within the CFIA’s disease control programs and organization.

Of the three outstanding pre-requisites, one has a national impact and the other two are provincial in scope. On a national scale, there is a need for a system of retrospective traceability of livestock in order to reliably demonstrate areas of the country which have not had contact with infected animals after an incursion of disease. This system must operate from coast to coast and cover the movements of all susceptible species. For FMD, the movements of cattle, hogs, bison, elk, sheep, and goats would be required. Several approaches to achieving the objective of a multi-species, national traceability system have been examined in a CFIA zoning discussion paper in 2001 (1).

The second pre-requisite for Zoning requires provincial movement controls during a disease outbreak. If the tracing of livestock movements at the onset of an outbreak shows that infected or in-contact animals did not enter a given province, then that province is in a position to institute movement controls. These controls must follow the OIE guidelines and are disease specific, with FMD holding the strictest of measures. In the event of an FMD incursion, a province wishing to establish a disease-free zone must stop all movement of restricted livestock and their products across their borders during the outbreak and conduct vehicle disinfection for those allowed to enter the province. The cost to achieve this kind of control is largely dependent on the interprovincial traffic volume.

The third zoning pre-requisite is for appropriate surveillance to be undertaken in the disease-free zone to demonstrate that the claim of freedom is correct. This is the last step and assumes that the traceability has cleared the province of suspicious animals and that movement controls are in place to control traffic.

Overall, zoning offers a regional solution to a nationwide problem. In the autumn of 2001, the CFIA presented a discussion paper to the agri-food sectors, provincial and federal governments entitled: “Protecting Canadian Export Markets of Livestock and Animal Products through Zoning”. Consultation with these partners was undertaken...
through a series of cross-country presentations and a mailing campaign of more than 1000 documents. At the Canadian Animal Health Consultative Committee Meeting in December 2001, Canadian Agribusiness declared its full support behind the concept of zoning, expressing its joint wish to see immediate action on the development of a zoning program for Canada. At the same meeting, Canada’s provincial governments advocated the zoning concept and initiated plans for joint provincial-federal-industry discussions and activities for 2002.

In December 2002, the Canadian Animal Health Coalition, an industry-government association promoting collaborative approaches to animal health, struck a committee to conduct a feasibility assessment for zoning at the Ontario-Manitoba border. This location appears to offer the best strategic and economic advantage for Canada because it divides the country in half. In addition, the lay of the land is such that only one modestly-used road connects the two provinces, offering a distinct advantage in meeting traceability requirements for livestock and their products. In recent months the committee has initiated studies to address the economic and trade implications of zoning, legal requirements for monitoring the traffic of animals and products, the strategic linkages of animal identification and traceability and the perspective of international trading partners on Canada’s approach to zoning. Progress details of this initiative will be presented at the time of the conference.

With the devastating effects of one case of BSE in May 2003 in Canada, resulting in a subsequent national trade embargo of beef exports still weighing down on the agricultural sector in the autumn of 2003, there is a joint consciousness among industry, provincial governments and departments of federal governments to work together to build the capacity to zone Canada in the event of an incursion of an OIE List A disease. It’s recognized that a zoning infrastructure and administration cannot be built by any one organization individually but will require the direction and coordination of the federal government coupled with full and active participation from all stakeholders (2). Creating an insurance plan for Canada’s livestock exports should serve to protect the entire industry in this evolving economic climate of free trade for the years ahead.

Reference
