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Canada



# Animal Pedigree Act Consultation on Options

## Canadian Livestock Records Corporation

April 5, 2014

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### **Our Vision**

Driving innovation and ingenuity  
to build a world leading agricultural and food economy  
for the benefit of all Canadians.

### **Our Mission**

Agriculture and Agri-Food Canada provides leadership  
in the growth and development of a competitive, innovative  
and sustainable Canadian agriculture and agri-food sector.

# Why is AAFC on this agenda?

1. AAFC had some very informal, scoping discussion with a few individuals about possible changes to the Animal Pedigree Act (APA).
2. Considerable concern has been expressed by CLRC members re the possibility that AAFC is considering changes to the APA.
3. There is considerable interest within the livestock and dog breeding community about what will be happening and over what time frame.

# What are we hoping to achieve with today's presentation?

- Answer some questions (why, who, when ...)
- Identify the possibilities that are being considered
- Open a dialogue on these options
- Solicit advice on how to move forward

# Why is AAFC even considering about changing the Act?

- Creating Jobs and Opportunities for Canadians (2013 Throne Speech)
  - Reducing the size and cost of government
- Need to modernize legislation/regulation
  - From prescriptive to enabling
  - *Not For Profit Corporations Act* renewed
- Need to ensure government spending is focussed on priorities
- Much has changed in 25 years since the Act was amended.

# The prescriptive nature of the Act

60. Every association shall send to the Minister

- (a) at the same time and in the same manner as it sends to its members, notices of meetings setting out proposed amendments to its by-laws; and
- (b) immediately after each annual meeting, a copy of the annual report, including an audited financial statement, together with a list of the directors and officers of the association and, where the association is a member of the Corporation, the name or names of the association's voting representatives.

# What's the short-term plan?

1. Initial Round of formal consultations spring 2014
  - Calgary/Guelph/Webinar
  - Others to be determined
2. A recommendation for Minister Ritz regarding next steps.
3. However, any potential changes to the *Act* would likely require further consultation and would have to be brought to Parliament.
4. There will be time for transition.

# The Government of Canada is involved in animal genetics.

- Genomics (researchers and project funding)
- Genetic Improvement/Evaluation projects
- Animal Health
- Market Access
- Market Development
- Canadian Animal Genetic Resources program
- Animal Pedigree Act

# The Act has been part of the animal industry for over 100 years.

1900: *Act Respecting the Incorporation of Live Stock Records Associations*

1906: *Livestock Pedigree Act*

1980: Regulations related to dissolving associations

1988: *Animal Pedigree Act*

1991: Mandatory 3 year regulatory review

1994: Regulatory Review Panel

# Its purposes have remained largely the same

- to promote breed improvement, and
- to protect persons who raise and purchase animals

*... by providing for the establishment of animal pedigree associations that are authorized to register and identify animals that, in the opinion of the Minister, have significant value.*

# The APA provides ...

- A legal framework for the operation of breed registries, registration and certification of pedigrees for both recognized and evolving breeds
- Exclusive authority to represent breeders within Canada
- Buyer/Seller Protections
- Canadian Livestock Records Corporation

# AAFC's administration of the Act is normally limited to...

- Approval of Articles of Incorporation and Bylaws
- Assistance on breeding programs
- Advice on operation of registries and associations
- Complaint based oversight and dispute resolution
- No formal auditing of registry operations
- RCMP Enforcement if all else fails

# CLRC members have expressed concern regarding repeal of the Act

- Fragmentation of existing breed associations
  - Implications re uniform breeding
  - Implications re quality/integrity of the registry
- Loss of a Canadian approach to breeding
- Loss of international markets and/or devaluation of exported animals
- Loss of small/rare breeds

# CLRC members have expressed concern regarding repeal of the Act

- Loss of guidance in managing breed genetics
- Loss of consumer protection
- Species using CLRC registry services would be negatively affected
- Associations would need to re-incorporate
- Many of these concerns have been expressed by other stakeholders

# Discussion: Can the outcomes be achieved through other means?

- Many of Canada's competitors/customers operate without a pedigree act.
- Not all breed development has been successful
- Genetic improvement happens outside of the Act (e.g. BeefBooster, poultry, PIC)
- Canada continually imports genetics from registries not "recognized" by other federal-level governments
- Government of Canada "certified registration papers" can be provided through other approaches

# CLRC has a unique relationship with the APA

- It is created under the Act
- Its purpose is specified
- Establishment of the General Stud and Herd Book
- APA specifies that the Minister appoint a member of the Board of Directors
- It is one of three options available to breeders to obtain registration services.

# The Act's prescriptive nature extends to CLRC

- 36.** The purpose of the Corporation is to perform services for and on behalf of
- (a) the members of the Corporation; and
  - (b) subject to section 51, breeders and owners of animals of any distinct breed or evolving breed in respect of which there is no association.
- 45. (1)** Only an association may be a member of the Corporation and every association is eligible to be a member.
- 40. (1)** There shall be a Board of Directors of the Corporation consisting of seven directors, six of whom are to be elected by the members of the Corporation and one of whom is to be appointed by the Minister

# Discussion: Is legislation the best way to govern the CLRC?

- The Corporation is limited from pursuing activities not specifically for its members
- Changes require the opening of an Act. This is a challenging/complicated process at best.
- The provision of a government nominee to an industry-led organization is contrary to AAFC policy.

# Discussion: Can the outcomes be achieved through other means?

- Should government continue to prevent breed associations from maintaining their registries with groups not incorporated under the Act?

*For example:*

- Dairy breeds cannot use the services of the Canadian Dairy Network
- BIO offers genetic improvement/evaluation services

# Discussion: Cost Recovery

- Benefits arising from the Act largely accrue to the private sector/individual breeders
- What would be the most appropriate means to base a fee structure. For example:
  - Annual per association fee
  - Per animal registered
- What would be an acceptable service standard?

# Immediate Next Steps

- Undertake a formal consultation process
- Develop a recommendation re “Round 2”
- Encourage stakeholders to take advantage of the consultation
- Document the impact with specific examples
- Comments/questions to John
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  - 613-773-0220