

CSF Operational Update – February 2025

The Canadian Sheep Federation (CSF) continues to advance its strategic priorities through industry advocacy, regulatory engagement, and program development. This update provides a summary of key activities, challenges, and policy developments from the past several months, ensuring that the Board is fully informed on CSF's ongoing work. From veterinary drug access and U.S. trade advocacy to foot-and-mouth disease (FMD) preparedness and chronic wasting disease (CWD) program administration, CSF remains proactive in addressing the most pressing issues facing sheep producers. Additionally, this report includes updates on funding opportunities, food safety recognition, and key takeaways from the recent AGM, equipping Board members with the insights they need to communicate these developments to their respective organizations.



Access to Veterinary Drugs

Overview of Industry Engagement & Regulatory Efforts

The CSF continues to actively engage in discussions with industry groups, regulators, and the Veterinary Drugs Directorate (VDD) to improve access to veterinary drugs for sheep producers. These efforts have included sector-specific meetings, working group sessions, and key presentations from regulators on their proposed solutions.

Key Developments from the Veterinary Drugs Directorate (VDD)

At the January 14, 2025, stakeholder session, the VDD introduced a three-pronged approach to improve drug access, addressing long-standing concerns raised by livestock producers, including those in the sheep industry. The approach includes:

- 1

List of Needed Veterinary Drugs

A prioritized, transparent list of drugs critical to the livestock sector, making industry needs visible to pharmaceutical companies. Intended to encourage collaboration between industry, veterinarians, and drug manufacturers. Factors considered in prioritization include disease severity, treatment availability, and cross-sector demand.
- 2

Interim Priority Review Policy

Expands eligibility for priority drug review to include any submission type that addresses a serious disease, unmet need, or demonstrates significant improvement over existing treatments. Streamlines the review process and reduces pre-submission timelines to 30 days. Encourages early engagement between industry stakeholders and regulators.
- 3

Terms & Conditions Policy

Allows conditional market access for veterinary drugs based on promising early-stage data while additional information is collected post-market. Enables collaborative reviews with the US and other jurisdictions, providing a faster pathway for drug approvals.

These tools are intended to increase veterinary drug availability, particularly in sectors like sheep farming where access to medications is often limited due to the small market size.

Industry Working Group Meetings & CSF Advocacy

CSF has participated in multiple Veterinary Drug Working Group (WG) meetings to push for additional regulatory flexibility. Key areas of focus include:

1 Precision Regulations for Veterinary Drugs

A short-term solution that would allow the one-time approval of multiple products to address current shortages. Industry has identified this as a high-priority request with potential for immediate impact. CSF and industry groups are refining a detailed proposal to submit to regulators.

2 Accepting Foreign Approvals for Veterinary Drugs

Discussions continue on how Canada can leverage foreign regulatory decisions (e.g., from the US FDA, EU, and Australia) to expedite approvals. Regulators have pushed back on pathways, but industry is reframing the request to focus on specific products rather than broad regulatory harmonization.

3 Addressing Regulatory Barriers

CSF and industry groups have raised concerns about slow review times and excessive regulatory burdens, particularly around: Use of 'pause-the-clock' mechanisms in drug reviews, artificially inflating approval timelines. The three-year renewal policy, which increases compliance costs and discourages companies from maintaining drug registrations. The need for greater transparency in the approval process for veterinary feed additives and veterinary health products (VHPs).

4 Economic Impact of Regulatory Delays

Industry members highlighted that regulatory barriers are forcing Canadian companies to move manufacturing abroad, particularly to the US. CSF and other organizations are gathering data on lost investment and business migration to support policy change.

Strategic Actions & Next Steps for Veterinary Drug Access

- CSF will continue to advocate for policy changes that improve veterinary drug access while balancing regulatory oversight.
- Refining our approach to 'precision regulations', ensuring proposals are specific and targeted.
- Developing a detailed proposal on changing feed registration renewal policies, incorporating examples from other jurisdictions.
- Compiling industry feedback on VDD's proposals, including the List of Needed Veterinary Drugs and the Priority Review Policy.
- Strengthening the case for foreign approval recognition by comparing Canadian and international regulatory frameworks.
- Lobbying for additional resources for Health Canada and CFIA to improve efficiency in veterinary drug approvals.

Implications for the Canadian Sheep Federation

- Increased access to essential veterinary drugs could significantly improve animal health, welfare, and productivity in the sheep industry.
- Regulatory improvements would reduce the financial burden on producers, as well as streamline the approval and renewal processes for necessary medications.
- A more competitive veterinary drug market would lower costs and provide greater treatment options for sheep producers.
- Potential for future collaborations with international regulatory bodies could lead to a more harmonized approach, ensuring Canadian livestock producers have access to the same products available in other major markets.

CSF's continued advocacy and participation in industry and regulatory discussions are essential to securing long-term improvements in veterinary drug access. The organization remains committed to ensuring that sheep producers have access to the treatments they need, and will continue engaging with regulators, industry partners, and policymakers to drive meaningful change.

U.S. Trade Advocacy Work

Overview of Advocacy Efforts

The Canadian Sheep Federation (CSF) has been actively engaged in advocacy efforts to mitigate the potential impact of the proposed 25% U.S. tariff on Canadian sheep and lamb products. These tariffs pose a serious threat to the industry's economic stability, potentially reversing two decades of recovery since the 2003 BSE crisis.

CSF's advocacy work has involved:

- Direct engagement with policymakers, including an in-person meeting with the Minister of Agriculture and Agri-Food Canada on January 10, 2025.
- Participation in trade discussions, including the ATNCG (Agricultural Trade Negotiations Consultative Group) call on January 24, 2025.
- Alignment with broader Canadian industry and government strategies, ensuring sheep producers are represented in Canada's national trade negotiations.

Key Developments & Policy Updates

1. U.S. Tariff Threat & Industry Impact

- The Trump administration has introduced an "America First" Trade Policy, which includes potential tariffs on Canadian agricultural products.
- The proposed 25% tariff on Canadian sheep and lamb exports would significantly impact over 13,000 farms generating \$212 million annually.
- The economic impact could result in:
 - 16.5% reduction in export volumes.
 - \$3.3 million in lost revenue per year.
 - Strain on smaller farms, many of which operate on thin margins.
 - Supply chain disruptions, affecting feed suppliers, processors, and rural economies.

2. Canada's Strategic Response to U.S. Tariff Threat

- The Canadian government is mobilizing advocacy efforts to challenge the tariff and secure exemptions for agriculture.
- Canada's key advocacy messages emphasize:
 - The deep integration of U.S.-Canada supply chains.
 - The risk of increased U.S. food inflation if tariffs are imposed.
 - The trade deficit on a per capita basis, showing Canadians buy significantly more U.S. products than vice versa.
 - The historical impact of trade barriers on agriculture, referencing the BSE crisis and COOL (Country of Origin Labeling) regulations.

3. CSF's Role in Advocacy

CSF has positioned itself as a key industry voice, working closely with government officials and industry partners to ensure the sheep industry's concerns are heard.

Key Actions Taken:

1. Briefing the Minister of Agriculture (Jan 10, 2025)
 - CSF provided a detailed analysis of the potential economic impact on producers, rural economies, and trade balance.
 - Emphasized the need for collaborative regulatory solutions rather than punitive tariffs.
2. ATNCG Meeting (Jan 24, 2025)
 - CSF participated in trade discussions, reinforcing agriculture's critical role in the Canada-U.S. trade relationship.
 - Discussed the impact of Trump's trade policies, including the regulatory freeze and national security trade reviews.
 - Highlighted concerns that U.S. businesses should be Canada's strongest allies, as tariffs would raise food costs and disrupt supply chains.

Strategic Implications for CSF & Next Steps in Trade Advocacy

1. Short-Term Advocacy Priorities

- Continue direct government engagement to push for an agricultural exemption from tariffs.
- Leverage American industry relationships to amplify advocacy efforts in Washington.
- Monitor tariff policy updates and prepare for potential retaliatory trade measures.

2. Long-Term Trade Strategy

- Diversify export markets to reduce reliance on the U.S.
- Strengthen regulatory cooperation between Canada and the U.S. to prevent future trade disruptions.
- Position the Canadian sheep industry as a sustainable protein source, reinforcing its importance in global food security discussions.

CSF has been proactive in its trade advocacy efforts both pre- and post tariff threats, ensuring the sheep industry's voice is heard at the highest levels of government. The organization is committed to protecting market access and securing fair trade practices to safeguard producer livelihoods and promote industry growth. The coming weeks will be critical in determining the final U.S. policy direction, and CSF will continue to engage policymakers, industry partners, and stakeholders to defend Canadian sheep producers.

Foot-and-Mouth Disease (FMD) WG Activities

Overview of FMD Preparedness & CSF's Role

The Canadian Sheep Federation (CSF) has been heavily involved in national Foot-and-Mouth Disease (FMD) preparedness efforts, particularly through its participation in working groups, the development of an Integrated Emergency Response Plan (IERP), and the recent FMD Vaccination Tabletop Exercise (TTX) held on January 28, 2025. These efforts aim to enhance Canada's ability to respond effectively to an FMD outbreak, ensuring coordination between industry, federal agencies, and provincial partners.

CSF's role in FMD preparedness includes:

- Advocacy for a clear, practical emergency response strategy that reflects the realities of livestock production.
- Active participation in working groups and consultations to refine vaccination, movement control, and biosecurity measures.
- Engagement in emergency response simulations (TTX) to test industry and government response capabilities.

Key Developments & Working Group Updates

1. Integrated Emergency Response Plan (IERP)

- The IERP is the foundational document guiding Canada's response to an FMD outbreak.
- Key components include:
 - Surveillance & Reporting: Ensuring timely detection of outbreaks.
 - Movement Control: Managing animal movement to contain disease spread.
 - Vaccination Implementation Support Structure (VISS): A framework for emergency vaccination response.
 - Depopulation & Disposal: Contingency planning for worst-case scenarios.
 - Communication & Industry Coordination: Aligning federal, provincial, and industry responses.
- CSF has contributed to shaping this plan by advocating for practical measures for sheep producers, emphasizing:
 - Clear roles and responsibilities for producers, industry, and regulators.
 - A realistic approach to movement control, minimizing economic disruption.
 - Improved data-sharing agreements to support real-time disease tracing.

FMD Vaccination Tabletop Exercise (TTX) – January 28, 2025

A tabletop exercise (TTX) was conducted to simulate a real-world FMD outbreak and test the emergency vaccination response. This exercise was critical in identifying gaps and refining response protocols.

Objectives of the TTX:

1. Assessing the completeness of the IERP and Gaps Document:
 - Participants worked through vaccine deployment scenarios to see if the current plan provided sufficient guidance.
 - Missing or unclear sections were flagged for future revisions.
2. Testing FMD vaccine field deployment:
 - Participants simulated the process of activating emergency vaccination.
 - Challenges were identified in vaccine logistics, cold chain management, and administration tracking.
3. Clarifying roles using the RACI Matrix:
 - The RACI framework (Responsible, Accountable, Consulted, Informed) was used to map out responsibilities.
 - Confusion over decision-making authority between CFIA, provincial veterinarians, and industry groups was flagged as a critical issue.

Key Findings from the TTX:

- Gaps in vaccination logistics:
 - The current vaccine deployment timeline does not account for cold storage limitations in some regions.
 - Delays in activating provincial response teams were identified as a concern.
- Challenges in movement control:
 - Lack of a clear strategy for managing animal movement before primary control zones (PCZs) are declared.
 - Producers need more clarity on biosecurity protocols during an outbreak.
- Need for improved communication & industry involvement:
 - The lack of immediate communication protocols was a major concern.
 - Industry groups like CSF are not currently integrated into early detection reporting—a gap that needs urgent attention.

Identified Gaps & Next Steps in FMD Preparedness

The Gaps Document outlines key weaknesses in Canada's FMD preparedness. Priority issues include:

1. Delayed or Insufficient Reporting:
 - No clear system exists for immediate farm-level reporting of suspected cases.
 - Proposed solution: Implement training programs for producers and veterinarians.
2. Lack of Industry Access to Trace Data:
 - CFIA controls movement data, but industry stakeholders are not granted full access, limiting real-time decision-making.
 - Proposed solution: Develop a secure data-sharing platform.
3. Unclear Vaccination Roles & Responsibilities:
 - Who decides when to vaccinate?
 - Who pays for vaccine administration?
 - Who tracks vaccinated animals?
 - Proposed solution: Revise the RACI Matrix to define each stakeholder's role more explicitly.
4. Movement Control & Compliance Challenges:
 - Lack of monitoring for voluntary and regulated movement restrictions.
 - Need for automated compliance tracking tools to ensure industry adherence.

Strategic Implications for CSF

1. Strengthening Industry Representation
 - Ensuring producers' voices are heard in vaccine deployment and movement control decisions.
 - Coordinating sheep industry contributions to disease preparedness planning.
2. Improving Industry Preparedness
 - Developing producer-focused SOPs that translate high-level emergency plans into actionable farm-level steps.
 - Supporting the development of farm-level preparedness plans like vaccine administration strategies, tiered biosecurity standards (green, yellow, red) and emergency depopulation and disposal plans.
 - Encouraging regional biosecurity drills to prepare producers for real-world scenarios.
3. Engaging Government on Policy Fixes
 - Advocating for a dedicated fund for FMD response training & equipment.
 - Pushing for clear policy on vaccine indemnity and compensation for losses.

Chronic Wasting Disease Herd Certification Program (CWD HCP) Transition Delays

Overview of the Transition Plan

The Canadian Sheep Federation (CSF) had planned to transition administration of the CWD Herd Certification Program (HCP) to the Canadian Cervid Alliance (CCA) by August 31, 2024, with a hard stop for CSF's administration on December 31, 2024. The transition was on track until a last-minute intervention from the USDA disrupted the plan, forcing an urgent search for an alternative administrator.

Key Developments & Challenges in the Transition

1. USDA's Rejection of CCA as Administrator

- The Canadian Food Inspection Agency (CFIA) sought USDA's feedback on the transition to CCA.
- USDA rejected CCA as an acceptable administrator, citing concerns over conflict of interest and program credibility.
- Without USDA recognition, Canadian cervid producers would lose their ability to export to the U.S., jeopardizing the industry's market access.
- This forced CFIA, CCA, and CSF to urgently find a new administrator.

2. Alberta Government's Withdrawal from the Program

- Simultaneously, Alberta Agriculture and Irrigation (AGI) decided to relinquish program administration.
- This increased the number of cervid producers needing a new program administrator.
- The broader enrollment base enabled the CCA to broker a deal with NSF International LLC to take over national program administration.

3. NSF Steps in as the New Administrator

- NSF International LLC was approved by CFIA and USDA to administer the CWD HCP.
- However, NSF required time to prepare, setting April 1, 2025, as their official start date.
- By the time NSF was finalized, CSF's hard stop deadline (December 31, 2024) had passed.

Temporary Measures to Protect Producers in CWD HCP Transition

To prevent enrolled producers from losing their certification status, CSF agreed to extend its role until April 1, 2025. This decision was made to ensure continuity and protect the integrity of the program, particularly for producers who have maintained up to a decade of program compliance.

Conditions of the Extension:

- CSF continues receiving producer packages and correspondence until April 1.
- CFIA granted an exemption from service standards, allowing CSF to hold most files without processing.
- Exception: Three producer files due in January must still be processed to maintain their program status.

This extension was solely for the benefit of enrolled producers, ensuring they do not lose their certification status due to administrative delays beyond their control.

Implications for CSF & Next Steps

1. Temporary Administrative Burden on CSF
 - CSF is not actively processing files but is maintaining administrative continuity until April 1.
 - NSF's training process is underway, with CSF providing guidance on program forms, biosecurity assessments, and inventory reconciliation.
2. Finalizing NSF's Onboarding
 - NSF is standardizing data management processes to ensure a seamless transition.
 - Digital solutions are being explored, but CFIA still requires paper-based records.
3. Ensuring Producer Communication
 - Producers must be kept informed of the transition timeline.
 - CCA, NSF, and CFIA are preparing joint communication materials to prevent confusion.

The CWD HCP transition faced unexpected roadblocks, delaying NSF's takeover. CSF's temporary extension of its role was a critical safeguard for producers, preventing loss of certification due to regulatory delays. The transition remains on track for April 1, 2025, with final preparations and NSF's full administrative takeover in progress.

CFIA Food Safety Recognition Program (FSRP) Update

The CFIA hosted a meeting to discuss expanding the scope of the Food Safety Recognition Program (FSRP) by integrating additional assurance programs, such as traceability, biosecurity, sustainability and animal welfare. The new FSRP Manager introduced themselves and sought feedback from industry representatives on how best to move forward with program expansion.

Key Discussion Points

1 Integration of Additional Assurance Programs

Industry representatives expressed interest in obtaining CFIA recognition for animal welfare and biosecurity programs. Concerns were raised about duplication of efforts and the increased administrative burden on producers. CFIA proposed that food safety recognition be a prerequisite for recognition of other assurance programs, which was met with mixed reactions from industry stakeholders.

2 Need for Flexibility & Avoiding Duplication

Industry groups emphasized the importance of leveraging existing standards instead of creating redundant requirements. Some participants raised concerns about CFIA's limited resources, noting that the agency may not be able to provide timely support for expanded recognition programs.

3 Sustainability & Other Considerations

While sustainability was discussed, CFIA clarified that it currently falls outside their mandate. The agency acknowledged that international trade partners increasingly expect sustainability assurances, making it an important future consideration.

4 Next Steps

CFIA will develop a proposal for senior management on prioritizing the integration of new assurance programs. A follow-up meeting will be scheduled in April 2025 to continue discussions.

Implications for CSF

- CSF supports efforts to integrate additional assurance programs, particularly biosecurity and traceability, into CFIA recognition.
- However, CSF shares concerns about potential duplication and will continue advocating for streamlined regulatory processes to prevent excessive burdens on producers.
- CSF will monitor CFIA's proposal and ensure sheep industry concerns are adequately addressed.

AgriMarketing Program Funding

Overview

CSF met with its AMP Program Funding Officer to discuss past and future funding opportunities under the Agri-Marketing Program.

Key Discussion Points

- **Agri-Marketing Project Wrap-Up:** CSF successfully completed its Agri-Marketing project involving the market exposure trip to Australia. The final report is pending submission.
- **Future Agri-Marketing Program Intake:** The next funding intake will open from March 1 to May 15, 2025, covering fiscal years 2026-2027 and 2027-2028. CSF was encouraged to consider a 2026 UK-focused mission to explore market opportunities in the EU. If the Indo-Pacific region is included, CSF could access a higher cost-sharing ratio (70:30 instead of 50:50).
- **Technology Commercialization & Funding Opportunities:** CSF introduced its livestock traceability technologies, including blockchain for supply chain management, biometric assessment for livestock, and sensor-based real-time monitoring. The funding officer suggested exploring Agri-Science funding for technology commercialization, as it supports new-to-Canada innovations.
- **Challenges in Export & Market Diversification:** CSF highlighted Canada's limited sheep processing capacity as a key constraint on expanding exports. Discussions touched on exploring the EU market, which aligns with traceability requirements under the EU Deforestation Regulation (EUDR).

CSF Annual General Meeting (AGM) Summary

Overview

The Canadian Sheep Federation (CSF) Annual General Meeting (AGM) took place on January 18, 2025, via Zoom. While the Board of Directors was present, this summary serves as a reference for Board members to update their respective organizations on key discussions and outcomes.

Key Meeting Highlights

1. **Financial & Budgetary Matters:** The 2024 audited financial statements were presented and approved. The 2024-25 fiscal year budget was reviewed and accepted. The appointment of the auditor for the next fiscal year was confirmed.
2. **Chair's Report:** The importance of maintaining focus on CSF's strategic goals was emphasized. The need for national unity, particularly with Ontario's potential rejoining, was discussed. Key advocacy and program efforts were highlighted, including veterinary drug access, traceability initiatives, FMD preparedness, and Scrapie and CWD herd certification programs.
3. **CSF Strategic Plan & Industry Initiatives:** The CSF's updated Strategic Plan (2024-2029) was presented, outlining advancing sustainability and traceability, strengthening industry representation, and expanding producer support and advocacy efforts. The Canadian Verified Sheep Program (CVSP) was discussed in relation to the UK's Red Tractor program. The Next Generation Exchange Program participants shared their experiences from LambEx in Australia.
4. **Election of Board Officers:** Fred Baker was elected as Chair. Simon Atkinson was elected as Vice-Chair. Barbara Ydenberg was elected as Secretary. Bernadette Nikkel was elected as Treasurer.
5. **Bylaw Amendment Approval:** A proposed bylaw amendment was approved, creating a new Non-Voting Affiliate Member class.
6. **Other Discussions & Next Steps:** The Code of Practice review continues, ensuring practicality for producers while meeting high animal welfare standards. The potential inclusion of observers from other sheep organizations at future Board meetings was discussed.

The AGM reaffirmed CSF's commitment to industry advocacy, producer support, and strategic growth. Board members are encouraged to use this summary to update their own organizations on key decisions and ongoing priorities.