

November 1994

U.S.-CANADIAN FOOD SAFETY

Opportunities for Sharing Information and Coordinating Inspections





United States
General Accounting Office
Washington, D.C. 20548

Comptroller General
of the United States

B-259012

November 22, 1994

To the President of the Senate and the
Speaker of the House of Representatives

The United States and Canada are long-standing trading partners, and both import substantial amounts of food from other countries. The two countries have also set up similar systems to ensure the safety of imported foods. Recent international trade agreements, such as the General Agreement on Tariffs and Trade and the North American Free Trade Agreement, are smoothing the way for increased trade in foods and providing opportunities for the United States and Canada to work cooperatively to ensure the safety of imported foods and make better use of each country's limited inspection resources.

GAO and Canada's Office of the Auditor General (OAG) undertook concurrent reviews to (1) examine how the United States and Canada share information on and coordinate activities for shipments of unsafe foods and foreign food-processing plants and (2) determine whether opportunities exist to make better use of limited resources and thereby increase the likelihood that unsafe imported foods would be stopped from entering the United States and Canada. The GAO and OAG teams performed the work concurrently, concentrating on their respective country's food safety systems and collaborating where appropriate, and are issuing separate reports. The OAG report, entitled Federal Management of the Food Safety System: Concurrent Review of Third-Country Food Imports, accompanies this report.

Results in Brief

U.S. and Canadian food safety officials share information through agency-to-agency exchanges and cross-border contacts at ports of entry. These efforts, which are generally informal and ad hoc, include some routine exchanges and focus primarily on (1) shipments of potentially unsafe foods, (2) food shipments refused entry by one country that may be rerouted to the other, and (3) inspections of foreign food-processing plants.

Opportunities exist to develop a more comprehensive system for sharing information about shipments of unsafe foods and inspections of foreign food-processing plants and for coordinating these inspections. These improvements would enable the two nations to better target their limited inspection resources.

Background

The United States imports substantial amounts of food. In 1993, the value of food imports from countries other than Canada amounted to about \$21 billion.¹ Similarly, the value of Canadian food imports from countries other than the United States totaled about \$3.2 billion. The United States and Canada are concerned about imported foods since these foods are produced and processed under unknown conditions.

Each country has several federal agencies that regulate and monitor the safety of imported foods. In the United States, the Department of Health and Human Services' Food and Drug Administration (FDA) is the federal agency responsible for overseeing the safety of most domestic and imported food products, including fish and seafood. The U.S. Department of Agriculture's Food Safety and Inspection Service (FSIS) is responsible for ensuring the safety of domestic and imported meat and poultry products.²

In general, Health Canada establishes the standards for food safety and has overall responsibility for ensuring that all food sold in Canada meets federal health and safety standards. Health Canada shares responsibility for inspections with Agriculture and Agri-Food Canada, which is responsible for inspecting meat, poultry, fruits, vegetables, dairy products, and eggs, and with Fisheries and Oceans Canada, which is responsible for inspecting fish and seafood.

The two countries' systems and standards for ensuring the safety of imported foods are similar. For meat and poultry, both FSIS and Agriculture and Agri-Food Canada certify that foreign countries' processing and inspection systems are equivalent to the respective U.S. and Canadian domestic systems, then supplement that certification with inspections of foreign plants and spot checks of imports.³ For other foods, the two countries generally exercise control by selectively inspecting imports as they enter the country, although FDA and Fisheries and Oceans Canada inspect some foreign plants as well.

¹Canada supplies much of the food imported into the United States. In 1993, 16 percent of U.S. food imports originated in Canada.

²For further explanation of the U.S. domestic food safety system, see Food Safety and Quality: Who Does What in the Federal Government (GAO/RCED-91-19B, Dec. 21, 1990).

³In response to the 1988 Canada-United States Free Trade Agreement and because the two countries' domestic meat and poultry inspection systems were deemed equivalent, the United States and Canada agreed that they would no longer inspect each other's meat and poultry plants. Instead, they rely primarily on each other's reviews of domestic plants and a system of spot checks at the border to ensure continued compliance with each other's standards.

The United States and Canada each inspect a limited amount of imported foods. The countries determine which foods to inspect on the basis of factors such as experience with the products and producers and their resources. In the United States, FSIS samples and examines about 15 percent of the meat and poultry imported from countries other than Canada. FDA samples and analyzes, on average, less than 2 percent of all other imported foods; inspection rates are higher for high-risk foods, such as seafood and low-acid canned foods, and those with a significant history of violations. In Canada, Agriculture and Agri-Food Canada inspects about 20 percent of the imported meat and poultry and lesser amounts of other foods. Fisheries and Oceans Canada inspects, on average, about 17 percent of the imported seafood. In both countries, foods that do not pass inspection may be conditioned, destroyed, or reexported at the discretion of the importer with one exception—meat rejected by Canada cannot be conditioned.⁴ Some imported products, such as those with a history of violations, are detained automatically when they enter either the United States or Canada; inspectors must specifically determine that these foods comply with applicable standards. Other products are inspected according to a sampling plan determined by such factors as the risk of contamination.

Recent international events are smoothing the way for increased trade in foods. Under the General Agreement on Tariffs and Trade, the world's nations are moving toward equivalent food safety standards that are expected to facilitate trade and thus increase food imports into the United States and Canada. Furthermore, the North American Free Trade Agreement (NAFTA) promises to lessen customs restrictions on trade between the United States and Canada, making it easier for foods imported into one country to pass into the other. Finally, U.S. and Canadian efforts under the Canada-United States Free Trade Agreement and NAFTA are helping harmonize the two countries' food safety standards, making it easier for the two countries to share information and to rely on each other's food safety information.

Current Approach for Sharing Information

Recognizing the value of sharing information about imported foods, the United States and Canada have, over time, developed an ad hoc system for communicating selected information about unsafe food imports. Agency-to-agency arrangements have been established between (1) FSIS and Agriculture and Agri-Food Canada for meat and poultry products,

⁴GAO reported in 1992 that FDA's records showed a long-standing problem of importers distributing some adulterated foods: *Pesticides: Adulterated Foods Are Reaching U.S. Grocery Shelves* (GAO/RCED-92-205, Sept. 24, 1992).

(2) FDA and Fisheries and Oceans Canada for fish and seafood products, and (3) FDA and Health Canada for all other food products. In addition, some officials communicate with one another at the regional level. For example, FDA officials in Blaine, Washington, work closely with officials of Fisheries and Oceans Canada, located about 40 miles away in Vancouver, Canada. Table 1 describes selected regional and agency-to-agency arrangements for sharing information on potentially unsafe imports, foods rejected as unsafe, and inspections of foreign plants.

Table 1: Selected Arrangements for Sharing Information on the Safety of Imported Foods Between the United States and Canada

Type of information exchanged and agencies involved	Arrangement
Potentially unsafe products being shipped to North America	
FDA and Health Canada	FDA headquarters provides Health Canada headquarters with real-time, electronic “import alerts” on products to be detained automatically at the port of entry and with operational guidance and bulletins concerning import operations.
	FDA headquarters provides Health Canada headquarters with monthly summary information on products, producers, and countries shipping products to the United States that do not comply with U.S. rules and regulations.
	FDA and Health Canada headquarters provide each other with information on all food products recalled.
FDA and Fisheries and Oceans Canada	Fisheries and Oceans Canada’s Pacific Region can read FDA’s import alerts electronically by dialing into the FDA Pacific Region’s computer system.
Shipments refused entry by one country that may be rerouted to or through the other country	
FSIS and Agriculture and Agri-Food Canada	FSIS and Agriculture and Agri-Food Canada’s inspectors in regions notify one another—via fax through headquarters—of rejected shipments being shipped to or through the other country.
FDA and Fisheries and Oceans Canada	FDA’s Northeast Region and Fisheries and Oceans Canada’s Central and Arctic Region notify each other—by fax, telephone, or letter—of rejected shipments of unsafe foods rerouted to the other country.
	FDA’s Seattle District and Fisheries and Oceans Canada officials in British Columbia notify each other—by fax or telephone—of rejected shipments of unsafe foods rerouted to the other country.
FDA and Health Canada	Some FDA and Health Canada regional officials occasionally notify each other—by fax, letter, or telephone—of rejected shipments rerouted to the other country.
Inspections of foreign plants	
FSIS and Agriculture and Agri-Food Canada	FSIS makes available to Agriculture and Agri-Food Canada its annual list of foreign meat-processing plants certified to ship to the United States.
FDA and Agriculture and Agri-Food Canada, Fisheries and Oceans Canada, and Health Canada	In February 1994, FDA agreed with Agriculture and Agri-Food Canada, Fisheries and Oceans Canada, and Health Canada to exchange data on inspections of foreign plants. FDA provided the Canadian agencies with the names of the foreign food-processing plants inspected and the inspection results. The Canadian agencies agreed to provide similar information to FDA but have not yet done so.

Opportunities for Enhancing the Safety of Imported Foods

Opportunities exist for improving the current U.S.-Canada information-sharing system in two areas: (1) shipments of unsafe foods refused at one country's port of entry and (2) inspections of foreign food-processing plants. In addition, although each country inspects some foreign plants that export to it, the two countries do not maximize the use of limited resources by coordinating inspections of plants that export to both countries.

While the current ad hoc system alerts each country to some problems with unsafe imported foods detected by the other, it does not ensure that all relevant information is exchanged. Neither the United States nor Canada informs the other country of refused shipments being returned to the country of origin, even though those shipments could be rerouted once they leave port. Furthermore, the two countries do not always notify each other about shipments rejected at their respective borders that are then sent directly to the other country. For example, in 1993 the Canadian government notified U.S. officials about rejected shipments in 25 of 37 instances.⁵ Similar information on U.S. notifications to Canada was not available because the U.S. agencies do not consistently document this information. The United States is even less systematic in notifying Canada of such refused shipments, in part because FDA officials, unlike their Canadian counterparts, usually do not know where the shipments are going until they have left the country. The U.S. Customs Service, which is responsible for ensuring that rejected shipments of food leave the United States, generally does not notify FDA until after the shipments have left.

Even when U.S. officials are notified of problem shipments, their follow-up is sporadic. For example, for the 25 rejected shipments that Canadian officials reported to the United States in 1993, the United States traced 11 shipments and part of another, while 13 shipments and part of another remained unaccounted for. FSIS was responsible for eight of the unaccounted-for shipments. FSIS either did not track or did not document its tracking of these shipments. FDA, which was responsible for the remaining unaccounted-for shipments, could not track them because it either could not identify the port of entry or had no record of the Canadian notification. Officials from FDA and FSIS cited scarce resources as their reason for not putting more emphasis on tracking each rejected shipment. For details on Canada's tracking of shipments rejected by the United States, see the accompanying OAG report.

⁵The total of 37 instances of rejected shipments that were then sent to the United States was calculated using notifications reported by the Canadian Auditor General's staff and FDA.

The United States and Canada have an opportunity to build on each other's information about foreign food-processing plants that ship products to North America. Although both countries inspect these plants, they share little information on the results of those inspections or recurring problems with the plants. For meat-processing plants, where most U.S. foreign inspections occur, the only inspection information shared is FSIS' required annual list of plants that have been certified and decertified. Agriculture and Agri-Food Canada receives a copy of this published list. However, neither FSIS nor Agriculture and Agri-Food Canada asks for or provides the results of its inspections to its counterpart agency. For foreign seafood-processing plants, FDA and Fisheries and Oceans Canada began, in February 1994, to discuss sharing the results of their inspections annually. To date, FDA has provided a list of the foreign plants it has inspected and the results to Fisheries and Oceans Canada. A more routine exchange of information would enable both countries to learn where duplication is occurring or coverage is lacking and help them identify problem plants for future inspections.

Additional information about each country's experiences in inspecting foreign plants could, in turn, enable the United States and Canada to maximize scarce inspection resources by coordinating such inspections. For example, between 1991 and 1993, FSIS and Agriculture and Agri-Food Canada inspected the same meat and poultry plants 103 times—6 percent of the United States' annual inspections and 76 percent of Canada's inspections. During the same period, FDA and Fisheries and Oceans Canada inspected five of the same tuna-processing plants—3 percent of FDA's inspections of low-acid canned food plants and 33 percent of Fisheries and Oceans Canada's inspections.⁶

At the same time, many foreign food-processing plants were not inspected by either country. For example, in 1991, 1992, and 1993, neither FSIS nor Agriculture and Agri-Food Canada inspected 300 (on average) of the 750 foreign meat-processing plants certified to export to the United States. For the same period, neither country inspected over 35,000 of the estimated 36,000 processing plants that export seafood or low-acid canned food to the United States.

The disparity between the way the United States covers meat-processing plants and other food-production plants in foreign countries occurs largely because of the way U.S. laws divide responsibility and resources for

⁶Canada inspects far fewer plants—for example, it inspected 16 meat and 4 seafood plants in 1993, compared with U.S. inspections of 576 meat and 52 low-acid canned food plants during the same period.

inspecting such plants between FSIS and FDA.⁷ For example, FSIS, which oversees approximately 750 foreign plants certified to export to the United States,⁸ spent \$2.5 million to inspect foreign plants in fiscal year 1993. FDA, which spent about \$300,000 to inspect foreign plants in the same period, is responsible for the safety of all other imported foods, including high-risk foods, from over 36,000 foreign plants.

U.S. and Canadian officials acknowledge the need to avoid duplicating effort and to enhance coverage by sharing inspection results. According to officials from both governments, the two nations would have to establish that their foreign inspection systems were comparable before they could fully depend on the results of each other's foreign inspections. The domestic inspection programs for meat and poultry in both countries are considered to be equivalent. Therefore, U.S. agency officials believe that the two countries' systems for inspecting all foods are probably similar enough so that the United States and Canada could use each other's inspection results when planning upcoming inspections in order to target their resources more efficiently and effectively.

Conclusions

As the border between the United States and Canada becomes more open, the two countries are becoming increasingly aware of the value of cooperating fully to ensure that unsafe food does not enter either country and of making better use of each country's limited resources. Agencies and some agency officials have taken actions on their own to establish informal cross-border arrangements to share information about unsafe imported foods. We believe these efforts are commendable. By notifying each other about rejected shipments and making each other aware of which processing plants have passed or failed inspection, the United States and Canada could build on the current system and better ensure that unsafe food does not enter either country. Furthermore, inspection coverage of foreign food-processing plants could be more comprehensive if the two countries coordinated inspections.

Recommendations

To better ensure the safety of imported foods and to make better use of limited resources, we recommend that the Secretaries of Agriculture and

⁷In general, food products under FSIS' regulatory jurisdiction must be inspected and approved as meeting federal standards before being marketed. Food products under FDA's jurisdiction, however, may be marketed without the agency's prior approval. Thus, by law, meat- and poultry-processing plants are inspected much more frequently—thereby garnering more inspection resources—than other types of food-processing plants.

⁸This figure does not include inspections of Canadian plants, which are generally covered under a separate bilateral agreement.

of Health and Human Services take the lead in developing, in concert with their Canadian counterparts and to the extent necessary with the U.S. Customs Service, a more comprehensive system for sharing crucial information on and coordinating activities for unsafe imported foods. As part of this comprehensive system, the agencies should consider coordinating U.S. and Canadian inspections of foreign food-processing plants.

While developing a comprehensive bilateral system will take some time, there are shorter-term steps that U.S. agencies could take to tighten control over unsafe food that has been rejected by one country and routed to the other. Specifically, we recommend that the Secretaries of Agriculture and of Health and Human Services direct that FSIS and FDA ensure that available information on rejected shipments being sent to Canada is transmitted to the Canadian government and that information from the Canadian government on such shipments being sent to the United States is consistently followed up.

Agency Comments and Our Response

We discussed a draft of this report with FSIS' Director, Review and Assessment Programs, and FDA's Director, Division of Import Operations Policy. They generally agreed with the information we presented, and we incorporated their suggestions where appropriate.

Scope and Methodology

In developing information for this report, we spoke with and obtained documentation from FDA and FSIS officials at headquarters and at selected regional and port sites in the states of Washington, California, and New York. We provided relevant parts of this information to our counterpart OAG team. In turn, we received from the OAG team information from officials at Agriculture and Agri-Food Canada, Fisheries and Oceans Canada, and Health Canada in headquarters and corresponding regional locations.

We conducted our review between November 1993 and October 1994 in accordance with generally accepted government auditing standards.

We are sending copies of this report to appropriate congressional committees; interested Members of Congress; the Canadian Parliament; the Secretaries of Agriculture and Health and Human Services; the Commissioner, Food and Drug Administration; the Acting Administrator,

Food Safety and Inspection Service; and other interested parties. We will also make copies available to others on request.

A handwritten signature in black ink that reads "Charles A. Bowsher". The signature is written in a cursive style with a large, prominent initial "C".

Charles A. Bowsher
Comptroller General
of the United States

Major Contributors to This Report

Food and Agriculture Issue Area

Robert A. Robinson, Associate Director
Edward M. Zadjura, Assistant Director
Karla J. Springer, Project Leader
Keith W. Oleson, Adviser
Marci D. Kramer, Evaluator
Donya Fernandez, Evaluator
Carol Herrnstadt Shulman, Communications Analyst

Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

U.S. General Accounting Office
P.O. Box 6015
Gaithersburg, MD 20884-6015

or visit:

Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC

Orders may also be placed by calling (202) 512-6000
or by using fax number (301) 258-4066.

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (301) 258-4097 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

**United States
General Accounting Office
Washington, D.C. 20548-0001**

**Bulk Mail
Postage & Fees Paid
GAO
Permit No. G100**

**Official Business
Penalty for Private Use \$300**

Address Correction Requested

