



2018-2019 ANNUAL REPORT

YEARS • ANS





MESSAGE FROM THE CHAIR



I am pleased to present the 2018-19 Annual Report which provides an overview of the important work of the Canadian Animal Health Institute (CAHI). This past year we celebrated something special, CAHI's 50th anniversary. It has been a remarkable milestone where together we have raised awareness of our achievements and were recognized for our long and proud history providing safe and effective animal health products to Canadians. This year was an opportunity for us to reflect on our achievements and to look forward to ensure we are both strategic in our areas of work and aligned with the global initiatives that impact us all.

On behalf of the board of directors, I would like to thank the CAHI staff for its effective and invaluable leadership. This year they led us through communicating regulatory and policy changes implemented to support the stewardship of medically important antimicrobials, and coordinated invaluable industry analysis for Health Canada's proposed new fees for drugs and medical devices and the technical requirements for the Environmental Risk Assessment of Medicinal Ingredients in Drugs. Both of these last items could have far-reaching impacts on availability of veterinary drugs in Canada and we continue to push Health Canada for harmonization with our trading partners.

Over the last two years, I have been proud to serve as your Chair at CAHI. I would like to thank the members of our hardworking, engaged and committed board of directors for their support. I am very grateful to all of them for their service, leadership and guidance. Along with the staff at CAHI, I would like to thank the staff at Merck Animal Health and my industry colleagues for their continued engagement in the important work of the Institute.

50 years. 50 years! What an incredible milestone that we have achieved together. It speaks to the tremendous value of CAHI and the importance of working together on common issues as an industry. Together we can meet the challenges of the next 50 years!

Daniel Beauchamp, Merck Animal Health Canada, CAHI Chair

REGULATORY



CAHI Chair & President met with Bev Shipley, MP for Lambton – Kent – Middlesex and Gil Barrows, Global Public Affairs

SERVICE FEES

On March 21, 2019 Health Canada contacted the CAHI office to advise that its 2017-18 Report on Fees had been tabled in Parliament. Within the report, the 2019-20 adjusted fee amounts as of April 1, 2019 for veterinary drugs are a 2.2% Consumer Price Index (CPI) increase, as veterinary drugs are now under the new *Service Fees Act*. Health Canada indicated that this increase reflects that there has not been an increase in fees for veterinary drugs since the early 1990s. Health Canada was silent in its report about the multiple fee areas consulted on in 2018. This leads CAHI to believe that our members should expect to hear more about these proposed higher fees in the future.

Over the course of 2018 and into early 2019, CAHI advocated for lower fees despite the proposed longer transition period and small business concessions shared by Health Canada in its Revised Fee Proposal for Drugs and Medical Devices on May 24, 2018. This report was shared after extensive consultation with both veterinary and human drug stakeholders. Based on CAHI's analysis, the revised fees as proposed will continue to have a significant negative impact on the Canadian animal health industry due to loss of product, products not coming to market and increased use of compounded product.

ANTIMICROBIAL USE & RESISTANCE



The implementation date of December 1, 2018 for policy changes by Health Canada to increase veterinary oversight over the use of Medically Important Antimicrobials (MIA) has come and gone. All MIA for veterinary use are now only available by prescription through a valid veterinarian, client-patient relationship.

CAHI played a significant leadership role in the development of communications tools in partnership with Health Canada, the Animal Nutrition Association of Canada, the Canadian Veterinary Medical Association and others. All hard copies of our poster of the antimicrobials moving from over-the-counter to prescription-only, by brand name, were distributed across Canada and while the demand has slowed down, the CAHI office continues to receive the occasional request for more.

As members have moved forward to comply with the Mandatory Sales Reporting, which came into force on April 1, 2019, the CAHI board of directors agreed that ImpactVet would be engaged again to provide a report on 2018 sales data, as it has done for over 10 years. The intent of this report is to assist CAHI members with the interpretation of the Public Health Agency of Canada's report when it becomes available.

CAHI continues to assist the Canadian Veterinary Medical Association (CVMA) in its member communications to ensure it is understood that not only manufacturers, but all importers and compounders of Active Pharmaceutical Ingredients (API) on List A must report their sales to Health Canada. With the expansion of Health Canada's requirements for human APIs to veterinary APIs, CAHI proactively reached out to the CVMA to ensure it has the materials it needs to communicate

that all pharmacists, veterinarians or those compounding a drug under the supervision of a licensed veterinarian must have a Drug Establishment License (DEL) by July 17, 2019 when importing MIAs.

Following a successful meeting in October 2017, Animal AMS Canada will be working with the National Farm Animal Health and Welfare Council to develop a Terms of Reference to facilitate a partnership between the two associations. In this partnership, it is proposed that Animal AMS Canada would become an operational arm of the Council to advocate for antimicrobial stewardship within a One Health context; leveraging resources, experience and connections. Colleen McElwain, Programs Director at CAHI was elected to the Council's board of directors in early 2019, meaning CAHI is well positioned as this relationship moves forward.

ENVIRONMENTAL RISK ASSESSMENT OF MEDICINAL INGREDIENTS IN DRUGS

Health Canada has proposed amendments to the Food and Drug Regulations to enable Environmental Risk Assessments of Medicinal Ingredients in Drugs. Health Canada has indicated that through this amendment it intends to create alignment with the requirements in the Canadian Environmental Protection Act (CEPA) and international equivalency (VICH). This new drug assessment would apply to drugs used in food-producing animals and aquaculture. It is proposed that the assessment would be conducted prior to import, manufacture or sale of a drug so that any potential environmental or human health risks can be identified and mitigated.

As a direct result of CAHI advocacy, Health Canada's proposed environmental assessment for veterinary drugs will, for the most part, be in alignment with

other jurisdictions. CAHI is working with Health Canada to clarify how the assessment will be implemented as a part of the review of new drugs and what the implementation would be for existing veterinary drugs. Health Canada has indicated that compounded drugs and those used extra-label will not be impacted by this initiative.

BILATERAL MEETING

CAHI coordinated a bilateral meeting with Canadian animal health product regulators in November 2018. There was excellent discussion on a number of regulatory topics ranging from the new Veterinary Health Products (VHP) registration



Industry and government participants at the November 2018 CAHI-VDD-CFIA Bilateral Meeting

process, VDD submission trends, and the continuing industry-government work on the drug-feed classifications for gut modifiers. A number of action items and

topic-specific follow-up meetings were agreed upon. CAHI agreed to continue facilitating the sharing of information to stakeholders - in particular the CVMA and species practitioners' groups - for the new in-feed antimicrobial prescription templates created by the Canadian Food Inspection Agency.

A second bilateral meeting was held on May 16, 2019 to review Veterinary Health Products (VHP). During the meeting how to add products to the Admissible Substances List, how to notify a VHP and labelling requirements were discussed. For the first time, CAHI opened this meeting to non-members for a fee.



CAHI President Jean Szkotnicki and Veterinary Drugs Directorate Director General Dr. Mary Jane Ireland at the VICH meetings

REGULATORY COOPERATION COUNCIL

High level cooperation between VDD and the FDA's Center for Veterinary Medicine (CVM) continues to be good and the RCC began taking supplementary submissions for joint reviews in December. At the December 2018 RCC meetings, the CVM indicated an intent to work on three topics over the next few years: 1) duration of use for medically important antimicrobials (MIA); 2) re-categorization of MIAs; and 3) veterinary oversight for all dosage forms of MIA.

CAHI recommended that:

- veterinary biologics become an active area of work for the RCC; and
- alignment of the environmental assessment process for both Canada and the USA needs to be considered as it relates to support of the RCC process (supported by AHI).

As of February 28, 2019:

- 10 submissions had been approved through the RCC process - 6 companion animal and 4 food animal; and
- 18 submissions were currently being reviewed in the process - 7 are food animal and 2 supplemental submissions.

Health Canada intends to expand the program to include generics and

supplementary new drug submissions, which would take the RCC process beyond new drug submissions only. Health Canada is also looking to increase regulatory cooperation with the UK's Veterinary Medicines Directorate.

VICH

The International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Products (VICH) Steering Committee, Outreach Forum and Conference were held in Cape Town, South Africa from February 25th to March 1st, 2019. CAHI President, Jean Szkotnicki was in attendance on behalf of the membership and serves on the VICH steering committee. The meetings brought veterinary medicinal product regulators and industry from 28 countries together to discuss harmonization of technical requirements for the registration of veterinary medicinal products. An overview of the lessons learned through the Regulatory Cooperation Council (RCC) initiative between Canada and the USA was provided by Health Canada Director General, Dr. Mary Jane Ireland and was of high interest among participants. Dr. Ireland noted in her presentation that VICH has provided the opportunity for regulators to meet and consider new approaches in the review of submissions to improve efficiencies in the process and increase confidence in the regulatory approaches of other countries through the use of the VICH technical standards.

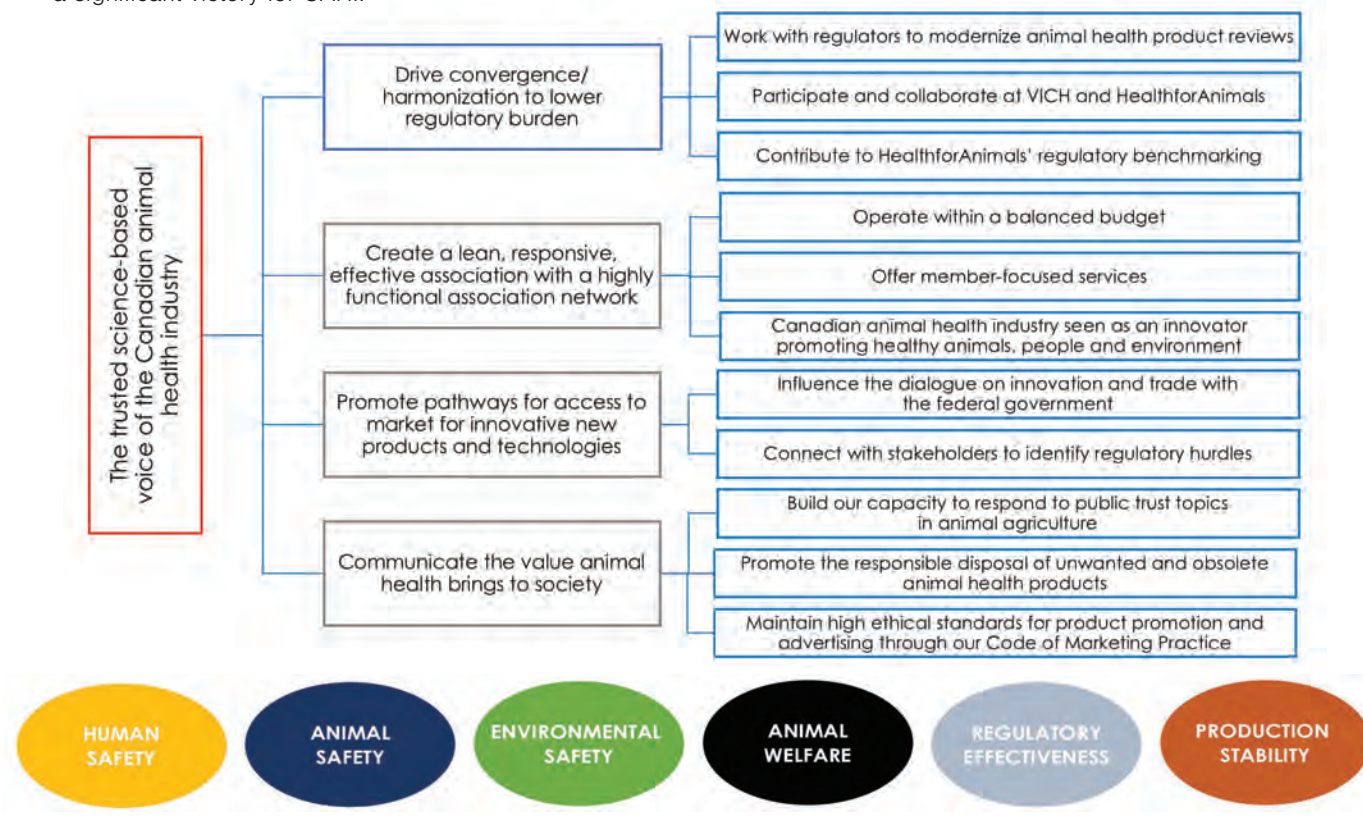
HealthForAnimals RENEWS ITS ANTIBIOTIC COMMITMENT



In 2019, HealthforAnimals renewed its Antibiotic Commitment with its vision for a world where veterinary antibiotics are used responsibly to protect and treat animals, and where they maintain their value as a therapeutic tool. HealthforAnimals, and its commitment signatories, recognise an equally important challenge to maintain and increase food safety and security. As a signatory to this important commitment, CAHI coordinated responses from its membership in support of the reporting back activities planned by HealthforAnimals. CAHI and its members have supported antimicrobial stewardship for a long time, particularly for the responsible use of medically important antimicrobials.

CAHI STRATEGIC PLANNING 2019-21

In late 2018, CAHI board of directors agreed to a new strategic plan for 2019-21 to guide the business of the Institute. The overall vision, mission and mandate of the CAHI remains unchanged; however, work areas have been updated to ensure continued adaptation to a changing regulatory environment. It was noted by the board of directors that for the first time in over 25 years, ending Own Use Importation (OUI) and increasing regulatory oversight for API were not included - a significant victory for CAHI!



CODE OF MARKETING PRACTICE

On January 1, 2019, revisions to the Code of Marketing Practice were implemented changing the second step in the complaint escalation process between two companies from mediation to a third-party expert opinion. An agreement has been established with the Pharmaceutical Advertising Advisory Board (PAAB) to provide this review and opinion. Further changes to the Code included its expansion to include direct to consumer advertising and some minor edits in relation to the new VHP program.

STEWARDSHIP



Cleanfarms is a unique program which offers farmers an environmentally responsible way to dispose of unwanted or expired product, free of charge. CAHI is proud to continue its partnership with Cleanfarms to offer livestock and equine medications across Canada, and Paul Lake from Bio Agri Mix sits on its board of directors on behalf of the Institute.

In 2018, a total of 2,483 kg of obsolete or unwanted animal health products were collected at 74 sites in British Columbia, Alberta, Saskatchewan, New Brunswick and Nova Scotia. Total collection volumes were much lower than in past years which is suspected to be a combination of weather and declining legacy stockpiles of material. Overall user satisfaction with the program continues to be high.

OTHER STEWARDSHIP INITIATIVES

2018-19 was a relatively quiet year from a stewardship perspective as in most cases provinces are mid-program. CAHI continues to monitor policy developments in Ontario where the change in provincial leadership has resulted in a significant slowing in the development and implementation of environmental policy, including its Blue Box Program. Colleen McElwain, CAHI Programs Director, continues to serve on the board of directors at the Health Products Stewardship Association which administers provincial medications returns programs.



2019 collections are scheduled in the Peace Region of British Columbia and Alberta, Northern Alberta, Manitoba, Ontario and Newfoundland.

Region	Livestock medications collected
British Columbia 8 sites, Oct. 15-18; Interior & Okanagan Valley 3 sites, Oct. 30–Nov. 1; Kootenay Region	222 kg
Southern Alberta 20 sites, Oct. 22-26; South of Red Deer to US Border	1,259 kg
Northern Saskatchewan 20 sites, Oct.1-5; North of Davidson, SK	894 kg
New Brunswick 11 sites, Nov. 5-16; province wide	89 kg
Nova Scotia 12 sites, Nov. 5-16; province wide	19 kg
TOTAL	2,483 kg

Your pet has just been vaccinated. What can you expect?

Vaccination is the best way to protect your pet against disease. Vaccines are highly effective at stimulating your pet's immune system, thereby providing effective protection against serious infectious diseases.

Today's vaccination will stimulate your pet's immune system. This primes your pet's immune system to mount a protection against specific disease agents. The internal defense system continues to build and remains strong for a period of time, acting as a memory to protect your pet if he or she is exposed to these diseases later on.

The immunization process has an impact on the way some animals, and people for that matter, feel after receiving a vaccine. Most animals display no symptoms at all while others may appear fatigued, temporarily stop eating, have a slight fever (lasting 24-48 hours), or show mild pain (or swelling) at the vaccination site. These symptoms may be observed and could be managed with a little TLC. However, if these symptoms persist for more than 48 hours (24 hours for overweight cats) or if you are concerned we recommend that you call your veterinarian.

Occasionally, serious allergic reactions can occur and will usually develop within the first 30 minutes to a few hours following vaccination. Your pet should be closely observed for a few hours after vaccination.

If you observe symptoms—such as difficulty breathing, vomiting, weakness, diarrhea, facial swelling, hives or excessive scratching—your veterinarian should be contacted immediately.

You can take comfort in knowing your pet has received the protection he or she needs to avoid harmful and possibly life-threatening diseases. Please follow your veterinarian's recommendations for further vaccinations.

CAHI's Your pet has just been vaccinated. What can you expect?

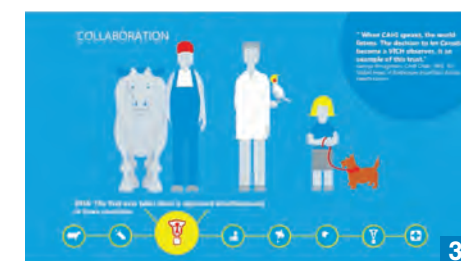
Tear off sheets are now available to clinics through Associated Veterinary Purchasing, the Western Drug Distribution Centre and Veterinary Purchasing!

COMMUNICATIONS

- 1 Don Bridge at the Champion Alstoe booth
- 2 Vétouquinol booth at the VET Conference
- 3 CAHI's 50th video



CAHI CELEBRATES ITS 50TH ANNIVERSARY!



(VET) Conference on September 28-29th in Mississauga, Ontario to further promote CAHI's anniversary. The CAHI Office was very pleased to receive congratulatory messages from both the Minister of Health and the Minister of Agriculture and Agri-Food Canada.

As our anniversary year comes to a close, CAHI would like to thank all of its members for their dedication to the institute and its work, volunteer spirit and commitment to improving animal health and welfare in Canada. We truly are the trusted, science-based voice of the Canadian animal health industry thanks to all of you!

CAHI PUBLIC OUTREACH

In the fall 2017, CAHI's website underwent significant user and design upgrades, making 2018 a benchmark year. To continue our momentum going forward, a search engine optimization (SEO) audit was conducted in early 2019 to examine next steps for website enhancement.

- Overall increase in the number of sessions by 15%, new visitors were up by 35%, and the number of pages viewed per session by 14%.
- English-speaking users from Canada are up 54% and from the USA 28%.
- Significant increase in French-speaking users due to functionality and content modifications:
 - French (non-specified) up 15%, French (Canada) users are up 72%, and French (France) users are up 579% between 2017 and 2018
- The number of sessions per user is also down (14%) and CAHI will consider increasing the use of targeting and user segmentation in collaboration with RKD.
- Significant increases by location (English and French):
 - Province: NL 15%; PEI 58%; NS 67%; NB 11%; ON 25%; QC 30%; MB 36%; SK 51%; AB 31%; BC 33% ... and France 156%
 - By major Canadian city: Toronto 22%; Ottawa 16%; Hamilton 52%; Montreal 37%; Vancouver 60%; Calgary 45%; Edmonton 22%; Winnipeg 30%

- Canadian Veterinary Schools, Careers and Hormones are the three most common entry points into the CAHI website after the homepage.
- Visits to the Companion animal page is up over 500%; Production Animals is also up significantly but the overall traffic is much lower.

Over the course of 2018-19, CAHI's monthly pet articles continued to be a popular outreach tool about the importance of preventive pet care and the need to work with a veterinarian to safeguard animal health. CAHI continues to have a good reach domestically in a number of newspapers and magazines through Cision Distribution by PR Newswire. CAHI staff has been contacted on average for one radio interview per month related to these articles.

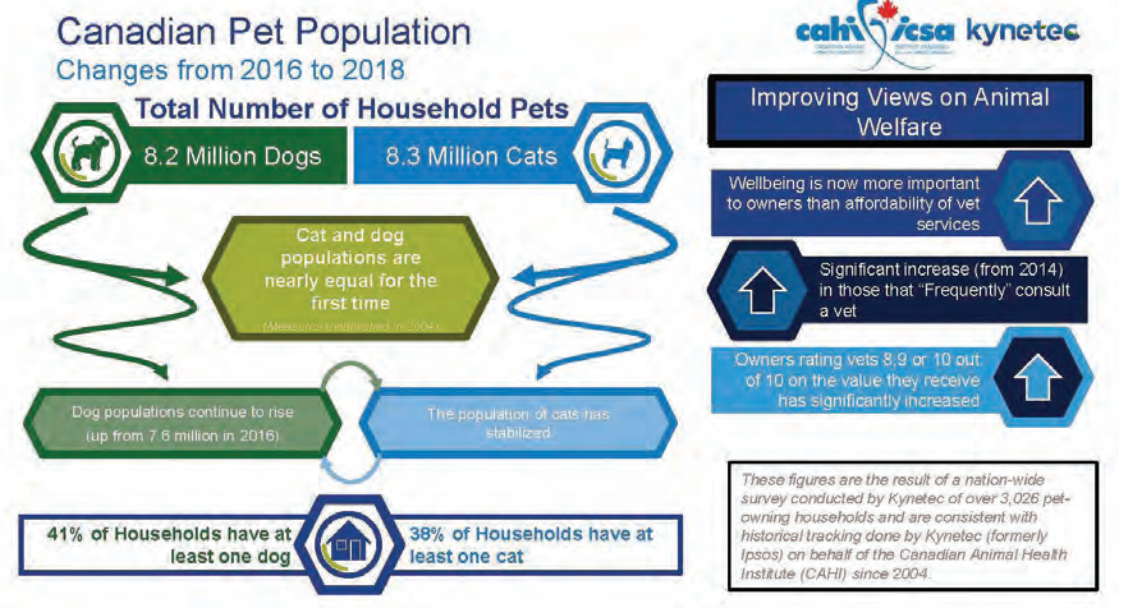
PUBLIC TRUST

At the December 2018 meeting, CAHI board of directors agreed that CAHI should move forward to coordinate a more cohesive approach to public trust communications for the industry. Public trust encompasses the social license for CAHI's members to continue to offer animal health products to animal owners and veterinarians across Canada. Licensed animal health products are demonstrated to be safe and effective if used as indicated on the label. If Canadians do not understand the value of animal health products, despite the scientific and ethical reasons for their use, there is a serious risk that programs and policies will be implemented that would be damaging to the industry as a whole, not to mention animal health and welfare.

A new committee has been assembled and a work plan is in development. The mandate of this committee is to develop marketing and communications tools that CAHI and its members can proactively use to communicate the value of animal health products to stakeholders, policy makers, supply chain members and the Canadian public. To make the best use of resources, the committee will leverage the research data and lessons learned from the Canadian Centre for Food Integrity, Best Food Facts and HealthforAnimals.

CAHI's Bi-Annual Pet Population Survey Results

were released in January 2019, showing for the first time ever improving views of the value of working with a veterinarian by pet owners.



2018-19 was a year of celebration for CAHI as it entered its 50th year representing the animal health industry in Canada! To commemorate its 50th anniversary, the CAHI created a short video celebrating our many achievements. The Celebrating Our Members campaign was a success, with full member participation rate of well over 90%. Our social media campaign highlighted member contributions to Canadian Animal Health, our promotional items have been shared with a few members for use at tradeshow and events, and CAHI staff attended the Veterinary Education Today



The 2020 CAHI Annual Meeting

will be held at the Westin Trillium House in Blue Mountain, Ontario from **June 1-3, 2020**. CAHI invites you to enjoy the beauty of Central Ontario, nestled between the shores of Georgian Bay and the heights of the Niagara Escarpment with your animal health industry colleagues!



Thank you to the CAHI 2018-19 Board of Directors!

Daniel Beauchamp, *Merck Animal Health, Chair*
Dr. Jair Garcia, *Zoetis Canada Inc., Vice-Chair*
Dr. Rob Bell, *Bio Agri Mix, Secretary/Treasurer*
Diane Bourassa, *Vétoquinol N.-A. Inc., Past Chair*
Katie Cook, *Elanco Animal Health*
Fiona McLellan, *Virbac Canada Inc.*
Rick Culbert, *Veterinary Purchasing Co. Ltd.*
Paul Ray, *Dechra Veterinary Products*
Rory Demetriooff, *Ontario Association of Veterinary Technicians*
Kalena Statutiak, *IDT Biologika*



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