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Exporter Guide – A Practical Guide

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Report Highlights:

In 2015, Canada regained the position as the top destination by value for U.S. agricultural exports; a total of $21 billion. As global exports slowed down last year, the Canadian market remained a resilient with a minimal slowdown in U.S. exports of -4.2 compared to double-digit slow down experienced in other leading foreign export markets. More importantly, of the total U.S. exports, 16.5 billion are made up of high-value product; this amount is double to that of the second leading market, Mexico and equal to the combined Asian market of Japan, Hong Kong, South Korea, China and Taiwan.

This report is a practical guide for U.S. food exporters interested in marketing and shipping products to Canada. We encourage first-time exporters and new-to-market companies to read thoroughly through this report and use it as a reference guide.

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Contents

SECTION I. MARKET OVERVIEW 3
A) General 3
B) Consumer Trends in Retail Food 5
SECTION II. MARKET SECTOR STRUCTURE AND TRENDS 7
SECTION III. BEST HIGH-VALUE PRODUCT PROSPECTS 11
SECTION IV. ROAD MAP FOR MARKET ENTRY AND BUSINESS TIPS 14
SECTION V. FREQUENTLY ASKED QUESTIONS AND THEIR ANSWERS 17
SECTION VI. KEY CONTACTS AND HELPFUL WEBSITES 19
SECTION VII. EXPORTER SERVICES, BUSINESS PROCEDURES, AND FOOD REGULATIONS 22
A) Export Services for U.S. Food and Agricultural Exporters 22
B) Customs Brokers 23
C) Business Customs Step-by-Step Import Procedures and Documentation 24
Canada's Import Notification Requirements and Electronic Data Interchange (EDI) 25
Canadian Food Inspection Agency – The IMPORT SERVICE CENTER 26
Small Parcel Shipments 26
Sample Products 27
Non-Resident Importers and the Good and Services Tax/Harmonized Sales Tax 28
D) Food Regulations 28
Mandatory Food Product Labeling Requirements 28
The following CORE requirements are applicable to certain produce and foods: 29
Food Labeling Tool 29
Specific Labelling Requirements on Selected Commodities 30
Canadian Food Inspection Agency National and Area Offices 32
Labeling of Shipping Containers 33
Nutrition Labeling 33
Enhanced Labeling Regulations on Food Allergen, Gluten and Added Sulphite Labelling 36
Canadian Food Inspection Agency Labeling Updates 36
Tariffs and Tariff Rate Quotas (TRQs) 37
Packaging and Container Regulations 38
Food Additive Regulations 39
Pesticides and Other Contaminants 39
D) Other Regulations and Requirements 40
E) Other Specific Standards 42
Food Fortification 42
Supplemented Foods and Test Marketing Authorizations 42
Copyright and/or Trademark Laws 44
The Use of Health Claims and Types 45
Method of Production Claims and Types 47
Types of Claims 47
Novel Foods (including Foods Containing Genetically Modified Crops) 49
Fish and Seafood 50
Baby Foods 50
Organic Foods 51
Pet Food 51
Livestock Feeds 53
Wine, Beer and Other Alcoholic Beverages 53
Vitamins, Minerals, Probiotics, and Supplements 54
F) Safe Food for Canadians Act (SFCA) Regulations – Expected to be introduced end of 2017 55
APPENDIX I. Statistics 58

SECTION I. MARKET OVERVIEW

A) General

In 2015, Canada ranked as the top destination for U.S. agricultural exports, surpassing China. Amidst the global trade decline in 2015, Canada stood out as a very resilient market with a minimal slowdown in U.S. exports of -4.2% compared to double-digit slowdown experienced in other leading U.S. export markets. Canada remained a stable and attractive market to U.S. exporters, particularly to new to market and new to export firms due to stable financial markets and a sophisticated logistics network that supports $120 million of food and agriculture goods crossing the U.S.-Canada border, both ways, every day.

In calendar year 2015, U.S. agricultural exports to Canada reached $21 billion, representing 61 percent of the share of Canada's global imports of agricultural products. Throughout the decades, Canada has ranked as a top market for U.S. exporters and accounts for over one-quarter of all high value products worldwide. These U.S. high-value product exports were valued at at $16.5 billion in 2015, representing 80 percent of all U.S. exports to Canada and include raw meats, pre-packaged products, and fresh and processed fruits and vegetables among others. This figure is double to that of the U.S. high-value product exports to Mexico and equal to the combined Asian export market of Japan, Hong Kong, South Korea, China, and Taiwan. Canadians continue to rely on U.S. consumer-oriented agricultural products and this segment represents 64 percent of the total share of Canadian food imports.

In CY 2015, the leading consumer-oriented agricultural categories were prepared foods, red meats, fresh vegetables, fresh fruits, snack foods, and processed fruits and vegetables. These five categories were prepared foods ($1.9 billion), red meats ($1.8 billion), fresh vegetables ($1.8 billion), fresh fruits ($1.6 billion), snack foods ($1.3 billion) and processed fruits and vegetables ($1 billion).

Canada is also an important market for U.S. fish and forestry exports. Canada is the second largest export market for U.S. fishery products, and exports reached $914 million in CY2015. Despite being a major producer and world exporter of forest products, Canada imports of U.S. forest products reached $2.2 billion in CY 2015. Combined U.S. agricultural, fishery, and forestry product exports to Canada were $26 billion.

The United States and Canada maintains the world's largest bilateral trading relationship. During CY 2015, two-way merchandise trade of all agriculture and manufactured goods was valued at US$576 billion, representing almost $1.6 billion worth of goods and services crossing the border every day. For 50 of the U.S. states, on average 35 of them count Canada as their number one export market. Comparatively, total bilateral agricultural trade between the United States and Canada reached $43 billion in FY2015, translating to approximately

Under the tariff elimination provisions of the North American Free Trade Agreement (NAFTA), the majority of U.S. agricultural products have entered Canada duty-free since January 1, 1998. Since that time, U.S. agricultural exports have more than tripled in value.[1]

Trade with Canada is facilitated by proximity, common culture, language, similar lifestyle pursuits, and the ease of travel among citizens for business and pleasure. U.S. products have an increased competitive

[1] 1998 U.S. agricultural exports to Canada were valued at $6.8 billion.

edge over goods from other countries as the result of the FTA/NAFTA. Since 1993, all U.S. exports have consistently grown to Canada by 201 percent. Canada's grocery product and food service trades have been quick to seize opportunities under NAFTA, which has permitted the expansion of sourcing from the United States. Much of U.S.–Canada agricultural trade is influenced by a substantial amount of intra-industry trade, particularly with value-added products. The elimination of import duties under the trade agreement has resulted in significant gains for U.S. consumer-ready and food service foods. Although, as similar as the United States and Canada are, there are differences that exporters need to recognize. Understanding the nuances of a marketplace is critical to a successfully launching a product here and in any foreign market.

Canadian Market Overview Summary	
Advantages	**Challenges**
Proximity	A sophisticated selection of product is already available in the Canadian market
Wide exposure to U.S. culture	Bilingual (English and French) labeling required for retail products
Similar consumption and shopping patterns	Differences in standard package sizes
High U.S. brand awareness	Differences in nutrition labeling
Frequent business and personal trips to United States by Canadians	Conversion of measurements to metric system required
Ease of entry for business travel	Standard Canadian English required
Duty free tariff treatment for most products under NAFTA	Tariff rate quotas imposed on selected products (e.g. Dairy and poultry)
High U.S. quality and safety perceptions	Differences in chemical residue tolerances
U.S. origin top choice among imported foods	Higher landed costs, particularly on small shipments

In 2015, the U.S. dollar averaged 28 cents more against the Canadian dollar, and 2016 year-to-date (January-November) the U.S. dollar traded on average at US$1 to CN$1.32, increasing the cost of U.S. products. In the coming year, Canadian economists are forecasting the Canadian dollar will remain depressed. Despite, the strength of the U.S. dollar, Canadian buyers continue to rely on U.S. growers and food processors. As a result, buyers are working closely with their U.S. suppliers as they find innovative strategies to maintain U.S. supply in Canada. During this time, U.S. exporters are encouraged to select those items/stock-keeping units (SKUs) that can effectively compete in the

marketplace and establish an effective marketing plan that will help to encourage long-term Canadian sales.

B) Consumer Trends in Retail Food

Canada's population as of July 1, 2016 was estimated at 36.2 million. The popularity of U.S. food products is very high and Canadian consumers are keenly aware of new product offerings in the United States. The close integration of the North American food market under NAFTA has helped to create a high demand for U.S. food and agricultural products among Canadian retailers. There are some important trends in the Canadian retail food market that can help U.S. food exporters better understand the market. Some of the following highlights are taken from an Agriculture and Agri-Food Canada and Statistics Canada with updates and/or additional information incorporated by the Foreign Agricultural Service in Canada. For more information on food marketing and trends in Canada, see Section III on Market Sector Structure.

Overview

- Graying population – The number of Canadians between the ages of 55 to 64 exceeds those between the ages of 15 to 24.
- Baby boomers, who are 65 years or older, now represent 18.2% of the population.
- Family structure, average household size decreased from 3.7 people in 1970 to 2 people in 2015.
- Canada per-capita immigration rate is one of the highest in the world; more than 50 percent of Canada's population growth rate is attributed to the arrival of new immigrants.

Graying Population

- Seniors make up the fastest-growing age group.
- Baby Boomers born from 1946 to 1966 now represent 26% of the Canadian population.
- Health conscious due to some on set of medical conditions.
- Increasing demand for smaller portions, single packages, easy to open and easy to read labels.

Millennials

- Born between 1976 to 1995.
- Tech savvy and many readily research their food options through the internet.
- Eat fewer meals and likely to skips meals.
- Tend to eat meals away for home.
- Canadian Grocer reports 15% of meals are taken home, reflecting double the rate to that the rest of Canadians.
- Survey data reports that 42% of millennial shoppers perceive Private Label as more innovative.

GenWe/Gen Z

- Gen We born between 1996 to 2002 and Gen Z between 1991 to 1995.
- Highly knowledgeable about food and their health aspects.
- Research shows that 78% of Canadian youth read labels. [2]

[2] 2016 Global Strategy and Insights by Zeno Group

- Ethically raised and look for organic and clean ingredients.

Cultural Diversity

- Canadian ethnic diversity is different from the United States with less Hispanic influence and more Asian influence.
- Ethnic diversity – Asian immigrants make up more than half of all immigrants. Chinese, Filipinos and South Asians represent the largest immigrant groups in Canada. [3]
- The cultural diversity is an increasingly important force in the marketplace, particularly in urban centers, creating new demands in the food industry.
- Currently there are six million people in Canada who belong to an ethnic minority. This number is expected to increase to 14 million in the next twenty years.
- Ethnic foods like pad thai, masala, tacos and shwarma are popular and main stream.
- The growing halal sector and is predicted to grow by 183% by 2030.

Economic/Demographic Trends

- Real personal disposable income growth has experienced a slowdown during the past ten years but price inflation has been low.
- Dual-income families are the norm but single-parent families are more prominent than a decade ago.
- There are now more one-person households than couples with children.
- Increasing number of women in the workforce.
- The growing number of seniors are well off financially, well educated, and willing to spend.
- Seniors have time to shop for what they want.

Canadian Food Expenditures

- Food and beverage expenditures have decreased to 11 percent of the income of the average Canadian household.
- Increase in consumption of fresh and frozen fruits and vegetables, alcoholic beverages, soft drinks, fish, rice, breakfast foods, cereals, grains, pulses and nuts.
- From 2008 to 2015, grocery expenditures increased significantly for baked goods and ingredients, hot and cold cereals, coffee, candy and chewing gum, condiments, dressings, dried foods, juices, frozen foods, fresh produce, nuts, relishes and spaghetti/lasagna sauces, spreads, jams, jellies, preserves, syrups and spreads, dry pasta, and snack foods.

Market Place Behavior

- Consumers still seek fresh, tasty, and high quality foods.
- Growing segment of Canadians have become price conscious shoppers.
- An increasing number of consumers are concerned about the safety and nutritional value of their foods they eat.
- Foods that address specific dietary needs and health issues, as obesity, digestive problems or diabetes provide special opportunities.

[3] South Asians comprise of people from India, Pakistan, Bangladesh, Sri Lanka and others from this part of the world.

- Demand for organic foods continues to increase considerably as it expected to grow 20 percent in the next 15 years.
- Consumers seek convenient meal solutions and thus an increased demand for home delivery, "ingredient solutions," home meal replacements, hand-held foods and microwavable products.
- Growing demand for snack foods.
- The majority of fish and seafood sales are in foodservice.
- Kosher and Halal food sales are rising rapidly.
- Increase in private label products in which consumers have confidence.

Food Service Trends

- 94,292 foodservice units in Canada, an increase of 3% from the previous year.
- Total foodservice sales (HRI) in 2015 reached C$72 billion (US$56 billion).
- Fast food restaurants are providing healthy meal choices with greater nutritional content.
- Increased demand for ethnic foods.
- Increased visits to quick service restaurants.

Retail Store Trends

- 44,900 grocery retail establishments in Canada, including small independents and other grocery retailers.[4]
- Growth in discount grocery stores and mass merchandisers.
- Grocery stores are growing in size with most new superstores over 97,000 sq. ft.
- More prepared foods available to store customers.
- Big supermarkets are in battle for market share against the big box stores and the mass merchandisers.
- Expanding ethnic food aisles and sections.
- Major chains increasingly have organic sections.

Increase in Food Safety and Label Consciousness

- Growing awareness among shoppers about the safety of their food supply in Canada.
- Canadians are becoming more conscious of reading the Nutrition Facts Table on food products.
- There is increased concern for the levels of trans fats, sodium, fiber, and sugar in packaged foods and an increased awareness of the issues surrounding allergens, food fortification, and health claims.
- There are different regulations than in the United States for listing ingredients, allergens, and the content and presentation of the nutrition label.

SECTION II. MARKET SECTOR STRUCTURE AND TRENDS

In addition to the market opportunities created by reduced tariffs, changing lifestyles in Canada are helping increase the demand for U.S. agricultural products.

[4] Independents are defined those small chains of 10 stores or less.

U.S. food exporters face a well-informed and demanding Canadian buyer and consumer. To be successful in the Canadian marketplace, U.S. exporters are urged to study the business channels and food trends as this will help them identify their market position in a competitive retail landscape. The following highlights the business landscape and trends that influence market success and purchases by Canadian buyers.

Market Characteristics and Geography

- **Smaller Food Market Size:** Selecting the appropriate Canadian business partnership and targeting the food channel is critical. While the demand is promising, U.S. exporters are reminded the Canadian market is approximately 11 percent the size of the U.S. food market. This means the pool of potential partners and retailers are limited and business arrangements need to be established in a thoughtful manner rather than arbitrarily.
- **Relationship-Based Marketing:** Business relationships are strongly influenced by getting to know your Canadian clientele/partners and building a sense of *trust*. This seems more evident in a smaller market where competitors and associates know one another well.
- **Large Land Mass:** Canada has the second largest land mass in the world and is treated by marketers as a country comprised of five regional markets rather than one single market. They are: Ontario, Quebec, Atlantic Canada, Prairies, and Western Canada. In most cases, marketing efforts are focused on one regional market at a time.

Business Channels

- **Sales Channels:** U.S. companies are urged to study the retail or food service landscape well and determine how best to position the product in the market. For example, will the product be sold in an independent gourmet store or through a large grocery chain?
- **Consolidation of Canadian Grocery Markets:** Seventy-five percent of the total retail beverage and food markets are represented by five grocery companies. [5]
- **Type of Canadian partnership:** Some U.S. food companies have had success selling directly into the Canadian market or working through an importer/distributor while others; particularly small to medium sized firms prefer appointing a food broker.
- **The Role of the Food Broker:** The Canadian trade supports the food brokerage network in Canada as they are highly regarded in the industry and deemed essential for long-term success. Brokers work on a fee-basis and help to 'pioneer,' a new product in the market by calling on various food accounts.

Value

- **Private Label:** Traditionally, private label has been seen as lower quality and generally less desirable than national brands but this has changed. Canada ranks 9th in the world for private label products with a 30 percent growth seen between 2007-2012. Store labels provide a competitive advantage for retailers. In 2015, private label represented C$12.1 billion in sales or nearly 20% of the market. Forty-five percent of private label manufacturers are in Ontario.
- **Economical Meal Solutions:** A resurgence of traditional products that offer value such as dehydrated soups.

[5] The five major retail groups reported by Nielsen Research were Loblaw Companies, Sobeys Canada Inc., Metro Inc., Walmart Canada, and Costco.

- **Promotional Priced Products:** Higher retail food prices have caused consumers to seek out promotions and encouraged more Canadians to shop at discount retailers. A trend that steadily continues. At the end of 2015, Nielsen Research reported discount retailers captured 40 percent of food retail sales, a trend likely to increase.

Quality/Freshness

- **Fresh Foods:** Consumers are eating more fresh more produce and other fresh foods as it is a healthier option offering taste and nutrition. The Loblaws acquisition of national drug chain, Shoppers Drug Mart in 2013 has helped to introduce and expand store space dedicated to a larger selection of food and fresh produce items.
- **Frozen Foods:** While retail sales of frozen foods remain at a 1 percent growth rate they remain popular among consumers. Frozen, single-serving sizes of microwavable meals continue to be in demand.

Convenience

- **Ready to Heat and Eat Foods**: Women continue to do the majority of food purchasing, preparation and clean up. As a result, the demand for foods that are easy and quick to prepare yet tasty, fresh and nutritiously sound continues to grow.
- **Custom Quick and One Dish Meals**: Growth in quick one-dish meal kits such as stir-fries and stews continue to gain popularity among shoppers. Surveys report they do not like to spend an extensive amount of time preparing meals but it still like to feel that they have contributed in the preparation.
- **Smaller Food Portions and Packages:** With more single households than ever before, individual portion sizes are in demand. Single portion sizes also cater to the trend of "eating-where-you-are."
- **Flexible and Portable Packaging:** Eating in vehicles, referred to as “Dashboard Dining,” along with lunches at the work desk is more common.
- **Snacks and Mini Meals:** Snacks account for 50 percent of the eating occasions. Canadians seek nutritious portable snacks. In 2016, retail value of sweet and savory snacks is estimated to reach C$3.9 billion.
- **Innovation:** Convenience foods will continue to be popular but the key to success will be innovation.

Health and Wellness

- **Correcting Condition:** Food and food ingredients continue to increase in popularity as a method for self-medication and disease prevention. This has led to more functional and nutraceuticals foods on the market.
- **Physical and Emotional Energy:** Sports drinks, energy bars and healthy snacks have catered to a health conscious and even stressed out consumers that look to derive more energy through diet.
- **Healthy Foods for Kids:** Approximately 26 percent of Canadian children ages 2-17 years old are currently obese. As a result, young parents seek healthy products with key nutrients for their children.
- **Food Safety:** Consumers are increasingly interested in food products that provide reassurances about food safety.
- **Gluten-Free:** The demand for these products continue to grow, doubling since 2005.

- **Low Sodium:** Canadian consumers are becoming conscious about the level of sodium in prepackaged processed foods and in restaurant meal foods.
- **Low Sugar:** *Canada's Food Guide* recommends moderate consumption of sugar**,** glucose, fructose, and various kinds of syrups as they have been determined as major contributors to weight gain.
- **Low Calorie:** Interest in weight loss products and lower calorie foods continues to be high among Canadians.
- **Organics:** Canada's organic market is the fourth largest in the world with an estimated USD$4.3 billion including fresh and processed foods.
- **Trans Fats and Saturated Fats:** Canadians are concerned about fat intake and health concerns associated with trans and saturated fats. Chips and crackers with no trans-fat are ever so popular among consumers.
- **Popular dietary components:** Top dietary components are fiber, whole grains, protein, calcium, omega-3 fats, potassium, probiotics, and omega-6 fats.

Pleasure/Ethnic Foods

Economic growth and rising disposable income has made Canadians more confident about spending for products and services that make their lives easier or provide pleasure.

- **Indulgence or Comfort Foods:** Although Canadians are concerned about the nutritional value of food; some are still reaching out for comfort foods. The demand for these foods continues to be high for they are often considered a reward for healthy eating or surviving the stresses of everyday life.
- **Gourmet products of Meal Excitement:** New, unique, high quality and expensive products will be small indulgences for consumers who are seeking meal entertainment.
- **Regional Cuisine:** Consumers are becoming more interested in seasonal, regional and high flavor foods.
- **Ethnic Foods:** Immigration to Canada and the number of visible minority groups have increased dramatically. Consumers are flocking to healthful and flavorful ethnic cuisines such as Asian and Mediterranean foods where the emphasis is on ingredients such as vegetables, grains and fish.

Ethical Buying

A small but growing number of Canadians are making buying choices based on where and how their foods are grown. This trend goes beyond taste and health concerns and into the realm of green politics and anti-globalization. It includes the concepts of "fair trade", "sustainable practices", and "food miles."

- **Buy Local Products:** Consumers are concerned about their local economy and where there foods come from. Although, U.S. foods are not viewed as local this may present opportunities for U.S. food companies. Canadians view U.S. products as safer and of better quality than imports from other countries.
- **Recycled and Biodegradable Food Packaging:** Many Canadian cities have instituted recycling programs for their citizens and businesses. Each sector is looking to maintain a 'green image.'

Non-Traditional Media Influencers

Canadians rank among the top users in the world for various social media such as twitter, facebook, pinterest, and other social networks. The Millennial consumer is beginning to change shopping patterns.

- **Social Media Engages Consumers:** Nielsen Canada reports 30 percent of total Millennials feel more connected to a brand when they follow the product through social media.
- **Mobile Devices:** Recent commissioned FAS Canada consumer survey reported 55% Millennials use their device at the Point of Purchase compared to 31% of the general population.
- **Popular platforms:** Facebook, twitter, pinterest are most effective mediums among Millennials.

Market Sector Reports

Listed below are the food sector and marketing reports published by the Office of Agricultural Affairs in Ottawa and Toronto, Canada. For a complete listing of other Post reports and of FAS' worldwide agricultural reporting, visit the FAS GAIN web page and be sure to insert the report number at: http://gain.fas.usda.gov/Lists/Advanced percent20Search/AllItems.aspx

AGR REPORT#	Title of Report	Date
CA 16048	Health Canada Consults on Front-of-Page Nutrition Labeling	11/15/16
CA 16046	Quebec Proposes Changes to Various Alcoholic Beverages Regulations	10/28/16
CA 16046	Quebec Proposes Changes to Various Alcoholic Beverage Regulations	10/28/16
CA 16030	Recently Approved Novel Foods in Canada	05/24/16
CA 16023	What's Cooking in Canadian Food Trends for 2016	05/03/16
CA 16012	New Canadian Halal Labeling Requirements Come Into Force	03/23/16
CA 16009	City Scope Report on Montreal Market	03/11/16
CA 16008	City Scope Report on Toronto Market	03/11/16
CA 16007	Canada Number One Market for U.S. Agricultural Exports	03/07/16

SECTION III. BEST HIGH-VALUE PRODUCT PROSPECTS

Canada's wholesale, retail, and food service industries watch and follow the trends in packaged and processed foods in the U.S. closely, anticipating these products can be successfully launched in the market. Overall, the Canadian trades seek unique and innovative value-added foods with a proven sales record in the United States.

In CY 2015, the leading consumer-oriented agricultural categories were prepared foods, red meats, fresh vegetables, fresh fruits, snack foods, and processed fruits and vegetables. These five categories were prepared foods ($1.9 billion), red meats ($1.8 billion), fresh vegetables ($1.8 billion), fresh fruits ($1.6 billion), snack foods ($1.3 billion) and processed fruits and vegetables ($1 billion).

What's Hot?

There are some trends in the retail grocery sales that U.S. exporters should try to follow and capitalize on. The following are some of the hottest and trendiest foods and food trends capturing consumer attention and increased market share.

Sugar-free and Low Sugar Foods

According to Nielsen Canada's consumer survey, sugar remains a top concern among Canadians. The Heart and Stroke Foundation has estimated that Canadians consume 13 percent of their total calorie intake from added sugars. It has been scientifically confirmed that excess sugar consumption contributes to only obesity, diabetes, high blood cholesterol, but heart disease. Additionally, Canadians have become keenly aware that sugar is present in a number of foods from beverages to processed foods.

Low Sodium Foods

Canadian consumers are becoming more conscious about the level of sodium in prepackaged processed foods and in restaurant meal foods. A Canadian coalition of health groups is urging the Canadian government to set graduated targets for sodium according to food categories and to monitor the food industry's progress. Figures from Statistics Canada show that the average Canadian consumes in excess of 3,100 mg of sodium a day with the major source identified as processed foods. Health Canada (like the U.S. National Academy of Sciences) has determined that an appropriate daily intake for a healthy adult is 1,200 mg from 1,500 mg of sodium. A few years ago, Health Canada established a Food Regulatory Advisory Committee (FRAC) to help set new policies and standards for reducing dietary sodium levels. FRAC and its predecessor, the Sodium Working Group has since set a target of 33 percent reduction in average sodium intake to 2300 mg/day by year 2016. While these targets are not mandated, several food processors are voluntarily reducing their sodium content as this has become an attractive product feature which many consumers demand.

Pre-packaged Foods with Low Levels of Trans Fats

Canada was the first country to require that the levels of trans-fat in pre-packaged food be included on the mandatory nutrition facts table. This was in response to the growing scientific evidence that saturated and trans-fat contributed to the risk of developing heart disease. The requirement took effect on December 12, 2007 and was intended, in part, for food labels to act as an incentive for the food industry to decrease the trans-fat content of foods. Health Canada recommends a trans-fat limit of 2 percent of the total fat content for all vegetable oils and soft, spreadable margarines, and a limit of 5 percent of the total fat content for all other foods, including ingredients sold to restaurants. Health Canada (HC) established a Trans Fat Monitoring Program that periodically analyzes the trans-fat content in foods every six months. The fourth set of data is the last data set reported by this program and can be reviewed at: http://www.hc-sc.gc.ca/fn-an/nutrition/gras-trans-fats/tfa-age_tc-tm_e.html

Low Glycemic Diet

The growing number of adult diabetics in recent years has caused health experts to promote a low glycemic diet. The Glycemic Index (GI) measures the impact of carbohydrates on the blood sugar levels. Foods with a higher index will raise the blood sugar levels rapidly while those with a lower glycemic index value will keep blood sugar levels because they have the ability to burn fat more efficiently. Some lower GI foods are fresh fruit and vegetables and whole wheat, along with selected rice varieties.

Functional Foods/Superfoods

Functional foods are those products enhanced with bioactive ingredients or fortified with vitamins and minerals beyond the legislated mandatory requirements. For example, fruit juice with calcium or probiotic or muffins with beta-glucan, also drinks with herb blends. "Superfoods" have gained have gained popularity among Canadian consumers, many fruits like berries, pomegranate, blueberries are rich in antioxidants help boost the immune system. Certain vegetables, like kale, beets and broccoli contain betalains and other minerals that have been proven to ward of diseases. Canadian Grocer recently reported, some bakery products include vegetables, such as beets in cupcakes.

Organics

Sales of organic foods continue to increase, and Canada is an important market for U.S. organic food. The U.S. supplies about 74 percent of the total market in Canada for prepackaged organic foods. Although, most organic foods are priced higher, there is a growing segment of consumers willing to pay the premium price for their organic choice. Sales are forecasted to rise, especially as quality and availability matches that of conventionally produced foods. The total retail market is estimated to be over C$4 billion in value and growing at 5 - 10 percent per year. Mutual recognition between the countries' organic certification procedures enables U.S. producers to export to Canada with USDA certification.

Snack Foods

Snacking continues to be an important contributor to Canadians' daily food consumption as more and more Canadians find themselves 'eating on the run.' It is estimated that 67 percent of Canadians eat 1-2 snacks daily. Controlled portions like 100 calorie snacks have grown in popularity. The savory snack category is expected to grow by 20.8 percent in Canada by 2020 and the sweet category may grow by 6.2 percent over the same period.

Clean Foods

Maintaining a clean diet is a growing trend among older Canadians and new mothers that are concern with the foods their children eat. Clean foods have no artificial preservatives, artificial coloring or flavors. These foods are less refined and processed as it is said they provide more nutritional value in their natural state. Some examples are bulgur wheat, quinoa, brown rice, millet, natural nut butters, and a variety of nuts.

Ethnic Flavors and Other Strong/ Complex Flavors

In recent years, Canadians have increasingly been looking for products inspired by cuisine from other regions of the world, largely due to the arrivals of new immigrants to Canada. Mexican style burritos and tacos have become a permanent mainstay in several well established outlets, as well different variation of Japanese sushi rolls and Korean style pulled pork. Popularity of more intense flavors continues to rise overall and the fusion of different ethnic styles is prevalent in Canada's restaurant scene. Hot peppers and sauces like Sriracha are in demand, as well as spiced cookies. To view more specific product trends look up FAS/USDA GAIN Report Number CA16023 *What's Cooking in Canadian Food Trends for 2016.*

Local Foods

A growing number of Canadians are making buying choices based on where and how their foods are grown as there is a desire to support their local economy. This is particular evident with fresh produce during the latter part of the summers season, end of July through early September when the domestic crop is in season. Recently, the CFIA defined local foods as those products bought within a 32 mile radius of the buyer and are within Canada borders. Although, it is clears U.S. foods are not local this may present some challenges as well as long term opportunities since most Canadians preferred U.S. foods as their choice of imported foods. Additional information and insights can be found in the GAIN Report (CA 13008) that measures Canadian Consumer attitudes on the foods they consume.

SECTION IV. ROAD MAP FOR MARKET ENTRY AND BUSINESS TIPS

Entry Strategy

Food product manufacturers from the United States seeking to enter the Canadian marketplace have a number of opportunities. The United States is Canada's primary trading partner – with more than 64 percent of Canada's processed food imports originating from the United States. The demand for U.S. foods can be attributed to many factors, such as; proximity to the market, reliable shipping methods, similar business practices and similar food tastes between Canadians and Americans.

Although, Canadians are looking for new and innovative U.S. products, there are a number of challenges U.S. exporters must be prepared to meet. Some of them include currency, customs procedures, regulatory compliancy, and labeling requirements.

Overcoming these hurdles is possible with the right tools. FAS together with agricultural partners facilitate the exporting process and we recommend the following as first steps when entering the Canadian market:

1. Contact your state regional trade office or the international specialist of your State Department of Agriculture.
2. Conduct a thorough research on the competitive marketplace.
3. Locate a Canadian partner, such as a broker/distributor/importer to help in identifying key Canadian accounts.
4. Learn Canadian government standards and regulations that pertain to your product.

Step 1: Contact your State Regional Trade Office or the international specialist of your State Department of Agriculture.

FAS/Canada relies on the State Regional Trade Group (SRTG) based in the U.S. to provide further export counseling. These offices are supported through USDA government funding and their staff solely specializes in exporting agricultural and food products around the world. Their export assistance programs have been acknowledged by third party audit/consulting groups to be highly effective in guiding new-to-market and new-to export U.S. companies. Their programs include a number of services as; one-on-one counseling, participation in business trade missions, support to Canadian and certain

selected international trade shows in the U.S., identification of potential Canadian partners.[6] Under the ***Branded Market Access Program (MAP)*** they are able to provide limited financial assistance for small and medium sized firms that meet the U.S. government's criteria for assistance. This assistance may include reimbursements for; marketing/merchandising promotions and point-of-sale reimbursements, package and label modifications, tradeshows, and advertising. U.S. exporters are encouraged to either contact their State Department of Agriculture's International representative or their regional SRTG office. Click below to identify the SRTG covering a specific region:

State Regional	Web Site	States
Food Export USA Northeast	https://www.foodexportusa.org	Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont
Food Export Association of the Midwest USA	https://www.foodexport.org	Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin
Southern U.S. Trade Association (SUSTA)	https://www.susta.org	Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Puerto Rico, Virginia, West Virginia
Western U.S. Agricultural Trade Association (WUSATA)	https://www.wusata.org	Alaska, Arizona, American Samoa, California, Colorado, Guam, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming
National Association of State Departments of Agriculture (NASDA)	http://www.nasda.org/9383/States.aspx	State Directory of the State Department of Agriculture

Get Export Ready

For those new to exporting, each respective SRTG offers a number of resources that are available on-line and through special requests. These resources cover a range of exporting topics, from exporting terms to labelling information.

Some of these resources are available at the following links:

[6] The SRTG's export assistance programs in Canada, offers through their Canadian representatives offers a similar service to that of the U.S. Foreign Commercial Service's Agent/Distributor Search(ADS) that strictly targets the food channels in Canada.

Food Export USA Northeast: *Export 101* - https://www.foodexport.org/get-started/export-101/
Food Export Association Midwest: Export 101 https://www.foodexport.org/get-started/export-101/
Southern United States Trade Association: *Know Before You Go:*
https://www.wusata.org/whatwedo/exporteducation/
Western United States Agricultural Trade Association: *Export Education*:
https://www.wusata.org/whatwedo/exporteducation/

Step 2: Research the competitive marketplace

The State Regional Trade Groups will often have available information on specific markets. Some of the SRTGs maintain Canadian representatives that can help in providing specific market intelligence to a particular product category. This type of information is invaluable as this may help a potential U.S. export to price their products accordingly and identify the food channel most appropriate for their company. In coordination with the SRTG's services, FAS/Canada publishes over fifty market and commodity reports that are available through the Global Agriculture Information Network (GAIN) for a number of commodities. To access these reports go to: http://gain.fas.usda.gov/Lists/Advanced percent20Search/AllItems.aspx

Step 3: Locate a Canadian partner - broker/distributor/importer

It is recommended that new exporters to the Canadian market consider appointing a broker or develop a business relationship with a distributor/importer to enter the Canadian market. Some retailers and even distributors prefer U.S. companies appointing a broker that will set up a distribution network. As the market is smaller than that of the United States, food companies are urged to closely evaluate their Canadian business partners well before entering into a contractual arrangement. Factors such as work experience, the Canadian firm's financial stability, product familiarity, account base, sales force, executive team commitment, and other considerations should all be taken into account prior to engaging a Canadian partner and or a entering into a future business transactions. We encourage U.S. exporters to be clear in their objectives and communications to avoid confusion on both parties.

A partial listing of Canadian food brokers is available on our latest brokers report, Agent/Broker Directory – Central Canada available online at: http://gain.fas.usda.gov. FAS/Canada can provide some assistance in identifying a broker/distributor/importer but is not in a position to endorse any Canadian firm. A number of Canadian companies maintain a look for a certain requirements on the product and the level of commitment by the U.S. firm. Some of these criteria may include product; UPC coding, a proven track record of retail sales and regional distribution in the U.S., production capabilities to grow, and commitment to offer a trade promotion program for Canada.

The respective SRTGs offer services that can help vet potential partners with the appropriate background for a line of product. But once again, these services are not an endorsement and strongly recommend firms to scrutinize the background of each potential Canadian partner. U.S. firms are encouraged to obtain referrals from the potential partner and visit and/or participate in specific trade shows in Canada. A complete listing is offered at: http://www.agr.gc.ca/eng/industry-markets-and-trade/agriculture-and-food-trade-show-service/canada/?id=1410072148326 as this may help in the partner evaluation process.

FAS/USDA recommends a number of Canadian food shows. FAS/USDA endorses one of the largest food shows in Canada, SIAL Canada. The event alternates between Montreal, Quebec and Toronto, Ontario. The show takes place in Montreal the even years and in Toronto the odd years. Next year's show will take place in Toronto from Tuesday, May 2nd to Thursday, May 4th the Enercare Centre in Toronto. Interested U.S. food companies can contact FAS/USDA's show contractor, IMEX Management and ask for Kelly Wheatley at kellyw@imexmanagement.com / T. 704-365-0041 or Sharon Cook at Rishan.Chaudhry@fas.usda.gov

For those U.S. firms that choose to sell directly into the retail or food service market, then FAS/Canada recommends they closely assess whether the account will encourage or detract from future sales into the market. For example, selling the same brand into a discount chain may discourage future sales in a high-end or specialty shop. Large grocers and mass merchandisers are likely to demand from the U.S. exporter a larger quantity orders which may be initially challenging for small U.S. food processors.

Step 4: Understand Canadian government standards and regulations that pertain to your product

Review this Exporter Guide for Canadian government standards and regulations that pertain to your product. FAS/Canada recommends contacting the Canadian National Import Service Centre to ensure all customs paperwork is accurate and allow for pre-clearance of exported goods from the U.S. Canadian agents, distributors, brokers, and/or importers are also very adept to assisting exporters through the import regulatory process.

Canadian National Import Service Centre
7:00 a.m. to 3:00 a.m. (Eastern Time)
Telephone and EDI(electronic data interexchange: 1-800-835-4486 (Canada or U.S.A.)
1-289-247-4099 (local calls and all other countries)
Fax: 1-613-773-9999

Mailing Address:
1050 Courtney Park Drive East
Mississauga, Ontario L5T 2R4

The best entry method depends on the food product and the sub-sector identified. Government and industry import policies and trade acts regulate each sub-sector. Each U.S. export opportunity must be thoroughly investigated relative to the legislation that exists for the product requesting entry. For additional information on the broadest Canadian regulations see the Food and Agricultural Import Regulations and Standards (FAIRS) Country Report and the FAIRS Export Certificate Report available online at: http://gain.fas.usda.gov

SECTION V. FREQUENTLY ASKED QUESTIONS AND THEIR ANSWERS

The following are some of the common questions asked by U.S. food and agricultural product exporters of the staff at the Office of Agricultural Affairs in Ottawa.

1. Question: Where can I get information on my labels?

Answer: The Canadian Food Inspection Agency recently created an industry labelling tool for food manufacturers that clearly outlines the three required components for all retail food labels must demonstrate. To access this tool go to:

Industry Labelling Tool
http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/eng/1383607266489/1383607344939

The CFIA maintains regional locations across Canada, for follow-up questions, food manufacturers may contain these offices with specific questions.

Most U.S. firms engage the services of a labelling specialist to ensure all required compliancy have been met as regulations may be difficult to interpret for a manufacturer unfamiliar with these requirements. In the coming year, with the proposed labelling changes being introduced possibly in 2016 by Health Canada and CFIA, FAS Canada is urging firms to pay particular attention that all label modifications are current with the changes.

For those U.S. exporters that meet the criteria to receive export assistance by their respective State Trade Regional Group (SRTG), then these costs may qualify for partial reimbursement as noted on page 15. The marketing section of FAS/Canada maintains a list of established Canadian labelling service companies that provide these services for a fee.

2. Question: How do I find a broker or distributor?

Answer: The USDA/FAS Office of Agricultural Affairs, U.S. Embassy and Toronto U.S. Consulate in Canada can provide marketing lists in helping U.S. companies identify a potential broker/distributor. However, as mentioned earlier, we urge U.S. firms to access the export assistance programs of the SRTGs as they provide services that help vet potential Canadian partners.

3. Question: I know that Canada has a tariff rate quota for certain dairy and poultry products. How do I know if my particular dairy or poultry product is going to be affected by Canadian tariff rate quotas?

Answer: For a determination as to whether or not the product you intend to export into Canada is within the scope of Canada's tariff rate quota (TRQ), contact Canada Border Services Agency. Contact information can be found at the following webpage:
http://cbsa-asfc.gc.ca/publications/dm-md/d10/d10-18-1-eng.html

4. Question: How do I identify the major Canadian importers of my product(s)?

Answer: Industry Canada (IC) maintains a database of major Canadian importers by product type. To access the database, go to IC's web page at
https://www.ic.gc.ca/app/scr/ic/sbms/cid/searchProduct.html?lang=eng

5. Question: Will there be import duties on my food products entering Canada?

Answer: Under provisions of the U.S./Canada Free Trade Agreement and the North American Free Trade Agreement (NAFTA), the majority of Canadian import duties on all U.S. food and commercial products have been phased out with a few exceptions like over-quota tariffs on dairy and poultry products. There are federal excise taxes and surcharges on alcoholic beverages. If using the services of

a customs broker, there will be clearance and handling fees and these should not be confused for duty charges.

6. Question: I've heard that U.S. fruit and vegetable exporters can't sell apples or potatoes to Canada. Is this true?

Answer: There are package-size regulations restricting bulk imports if Canadian supplies are available, but imports in consumer and wholesale sized packages are permitted. In fact, US apple exports to Canada averaged $162 million in 2015. Commonly referred to as Canada's "bulk waiver" requirement (or ministerial exemption), processors or packers must apply to the Canadian Food Inspection Agency (CFIA) for a special exemption to import bulk products. In late 2007, the United States and Canada established an arrangement to facilitate bilateral potato trade. The arrangement will provide U.S. potato producers with predictable access to Canadian Ministerial exemptions.

7. Question: My company is new to exporting. Can I test market my product(s) in Canada with my U.S. label? I don't want to produce a label for the Canadian market until I know it will be successful.

Answer: Canada offers a test marketing provision; however, this provision has certain limitations and is specifically designed to facilitate those products that are highly unique and not currently found in Canada. This provision **does not apply to U.S. brand introductions** into Canada for processed foods commonly found on retail shelves. We highly encourage U.S. exporters to work with their respective State Regional Trade Group to see if they qualify for export assistance programs as some of the costs on packaging and labeling modifications may be covered.

SECTION VI. KEY CONTACTS AND HELPFUL WEBSITES

Office of Agricultural Affairs
U.S. Embassy, Canada
P.O. Box 5000, MS-30
Ogdensburg, NY 13669-0430
Telephone: (613) 688-5267
Fax: (613) 688-3124
Email: agottawa@fas.usda.gov

Holly Higgins, Agricultural Minister-Counselor
Jeff Zimmerman, Agricultural Attaché & Director of Marketing
Mihai Lupescu, Senior Agricultural Specialist
Lina Urbisci, Agricultural Specialist
Vacant, Marketing Specialist
Joyce Gagnon, Administrative Assistant

Foreign Agricultural Service
U.S. Consulate General Toronto
P.O. Box 135
Lewiston, NY 14092-0135
Telephone: (416) 646-1656
Fax: (416) 646-1389
Email: agtoronto@fas.usda.gov

Maria Arbulu, Senior Agricultural Marketing Specialist

Summary of Useful Websites
The following is a listing of the major Canadian websites mentioned in the body of this report:

Canada Border Services Agency	http://www.cbsa-asfc.gc.ca/menu-eng.html

Canadian Food Inspection Agency	
Home Page	http://www.inspection.gc.ca
Acts and Regulations	http://www.cfia-acia.agr.ca/english/reg/rege.shtml
Food Labelling and Advertising Industry Labelling Tool	http://www.inspection.gc.ca/english/fssa/labeti/guide/toce.shtml
Steps for Choosing a Nutrition Facts Table	http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/nutrition-labelling/nutrition-facts-table-formats/eng/1389209684841/1389210023155?chap=2
Meat & Poultry Inspection Regulations	http://www.inspection.gc.ca/english/fssa/meavia/meaviae.shtml
Fish Import Program Policy	http://www.inspection.gc.ca/food/fish-and-seafood/imports/documents/fish-import-program-policy/eng/1360859473208/1360859694298
New Regulatory Framework for Federal Food Inspection	http://www.inspection.gc.ca/about-the-cfia/accountability/consultations/federal-food-inspection/overview-of-proposed-regulations/eng/1400451508255/1400451811916

Department of Foreign Affairs and International Trade	http://www.international.gc.ca/international/index.aspx

Bank of Canada *Daily Currency Convertor*	http://www.bankofcanada.ca/rates/exchange/daily-converter/

Industry Canada	
Home Page	http://www.ic.gc.ca/eic/site/ic1.nsf/eng/home
Canadian Importers Database	http://www.ic.gc.ca/eic/site/cid-dic.nsf/eng/home
Trade Data Online	http://www.ic.gc.ca/eic/site/tdo-dcd.nsf/eng/Home

Health Canada	
Home Page	http://www.hc-sc.gc.ca/index-eng.php
Food and Drugs Act	http://laws.justice.gc.ca/en/F-27/
Nutrition Labeling	http://www.hc-sc.gc.ca/fn-an/label-etiquet/nutrition/index_e.html
Natural Health Products	http://www.hc-sc.gc.ca/dhp-mps/pubs/natur/index-eng.php
Food Allergen Labeling	http://www.hc-sc.gc.ca/fn-an/label-etiquet/allergen/index-eng.php
Proposed Changes to Format Requirement on Nutrition	http://www.hc-sc.gc.ca/fn-an/consult/2014-format-requirements-exigences-presentation/index-eng.php
Novel Foods	http://www.hc-sc.gc.ca/fn-an/gmf-agm/index-eng.php

Justice Department	
Home Page	http://www.justice.gc.ca

Pest Management Regulatory Agency	
Maximum Residue Levels	http://www.pmra-arla.gc.ca/english/aboutpmra/about-e.html

Key Trade Shows	
Canadian Health Food Association and Show	

	https://chfa.ca/en/index.html
Canadian Produce Marketing Association and Convention Show	http://convention.cpma.ca/
SIAL Canada	http://sialcanada.com/en/
Restaurants Canada	https://www.restaurantscanada.org/en/Events

SECTION VII. EXPORTER SERVICES, BUSINESS PROCEDURES, AND FOOD REGULATIONS

A) Export Services for U.S. Food and Agricultural Exporters

USDA/FAS and its agricultural partners offer a variety of export marketing services that includes market intelligence/data to information on trade shows in Canada and around the world. U.S. firms new to exporting may access the following site the further breaks down steps to getting started:

http://www.fas.usda.gov/topics/exporting/getting-started

Departments of Agriculture

The state departments of agriculture and associated organizations promote U.S. food, beverage, and agricultural exports and are FAS agricultural partners. Some departments of agriculture may be staffed with an international trade specialist that can provide one-on-one counseling and valuable resources. The National Association of State Departments of Agriculture (NASDA) represents all 50 state departments of agriculture and those from the territories of Puerto Rico, Guam, American Samoa, and the Virgin Islands. In addition, there are four regional organizations associated with their respective departments of agriculture. Prospective exporters are encouraged to check with their respective state and/or regional organizations for assistance. Website: http://www.nasda.org

Country Commercial Guide

The Country Commercial Guides (CCG) provides a general overview of Canada. This guide is prepared by the U.S. Embassy staff annually and contains information on the business and economic situation of foreign countries and the political climate as it affects U.S. business. Each CCG contains the same chapters and an appendix which include topics such as marketing, trade regulations, investment climate, and business travel. This information is available at
http://www.state.gov/r/pa/ei/rls/dos/221.htm

Credit Checks

Besides the well-known private credit service checks that may be available, the U.S. Commercial Service (USCS) International Trade Administration offers the International Company Profile Service designed to verify the credit worthiness of companies in Canada. A U.S. company seeking more

information on the World Traders Data Report (WTDR) service should contact the closest U.S. Export Assistance Center (USEAC) in the United States. The USCS also offers additional services to help U.S. exporters: http://export.gov/salesandmarketing/eg_main_018198.asp

Additionally, there are private U.S. firms, such as, Dun & Bradstreet and Equifax, which offer credit checks and a history of a firm's account payments for a fee.

B) Customs Brokers

Many U.S. firms use the services of a Canadian customs broker (a private company operating as a trade facilitator). According to the Canadian Society of Customs Brokers close to 80 percent of import transactions into Canada are handled by a customs broker. These companies assist exporters in complying with Canadian import requirements and clearing shipments at the border. The Canada Border Services

Agency (CBSA) licenses customs brokers to carry out customs related responsibilities on behalf of their clients. Some brokers' services may include:

- Obtaining release of the imported goods
- Paying any duties that apply
- Obtaining, preparing, and presenting or transmitting the necessary documents or data
- Maintaining records
- Responding to any Canada Customs and Revenue Agency concerns after payment
- Warehousing and distribution of a exporter's products

Clients pay a fee for these services, which the customs brokerage firm establishes. These fees vary based by broker and shipment. Generally, customs clearance fees are proportionally higher on smaller shipments then larger shipments.

Alternatively, importers who do not wish to use the services of a customs broker may authorize an agent to represent them. Although importers may use an agent to complete transactions on their behalf with the CBSA, the importer is ultimately responsible for the accounting documentation, payment of duties and taxes, and subsequent corrections such as re-determination of classification, origin and valuation. The importer remains liable for all duties owing, either the importer or the agent may pay them on their client's behalf.

Agents are required to obtain written authorization from their clients in order to transact business on behalf of their clients. This business may include but is not limited to:

- Registering for a Business Number (BN), Importer/Exporter Account
- Providing assistance in cases involving the Special Import Measures Act (SIMA)
- Submitting refund requests (B2s)
- Preparing release (interim accounting) documentation
- Preparing final accounting documentation
- Remitting payment of duties and taxes to the Receiver General of Canada

For additional information, contact:

Canadian Society of Customs Brokers
Suite 320, 55 Murray Street
Ottawa, ON K1N 5M3
Tel.: 613-562-3543 Fax: 613-562-3548
Email: cscb@cscb.ca
Web Site: www.cscb.ca
Searchable list of members: http://www.cscb.ca/

✓ ***Tip***: Brokerage fees are determined by the cost of goods and the amount. U.S. exporters should inquire about these fees prior to shipping their products as this may influence the selling price to their Canadian customer.

C) Business Customs Step-by-Step Import Procedures and Documentation

The Commercial Customs Documentation

The following procedures apply to those firms clearing their own shipments. U.S. exporters are encouraged to review the steps and work closely with their appointed Customs Broker to ensure all documentation is in order to avoid delays.

1. Two copies of the cargo control document (CCD).
2. Two copies of the invoice; http://www.cbsa.gc.ca/publications/forms-formulaires/ci1.pdf
3. Two copies of a completed Form B3-3 (04), Canada Customs Coding Form
4. Most U.S. products receive a duty free tariff treatment under NAFTA. Commercial shipments exceeding USD$1,000 require a copy of the NAFTA certificate of origin to be retained by the importer on file for up to five years. http://www.cbp.gov/sites/default/files/documents/CBP%20Form%20434_3.pdf
5. Any import permits, health certificates, or forms that other federal government departments require; calculate and declare the value for duty of the imported goods (where necessary) according to the valuation provisions of the Customs Act; all goods are to be properly marked with their country of origin; pay any duties that apply.

This information can be found at the site below:
http://www.cbsa-asfc.gc.ca/import/reflist-listeref-eng.html

6. If U.S. exporters are urged to register for a Business Number (BN) to facilitate regular and even sample shipments. To obtain a BN number for an Import-Export Program Account go to: http://www.cra-arc.gc.ca/E/pbg/tf/rc1c/README.html or online at http://www.cra-arc.gc.ca/tx/bsnss/tpcs/bn-ne/bro-ide/menu-eng.html. For further questions, please contact Canada Revenue Agency (CRA), non-resident hotline at 1-866-453-0452 (Eastern Canada) 1-866-705-1785 (Western Canada)

   A step-by-step guide to importing commercial goods in Canada is available at through the CBSA at:
   http://www.cbsa-asfc.gc.ca/import/guide-eng.html

✓ ***Tip*:** CBSA and the CRA highly recommends the registration of a BN number to all U.S. exporters.

- ✓ ***Tip:*** Declare all products with a detailed description on the commercial invoice, (if applicable, also include the description of the packaging or container of the commodity being shipped and all paperwork is consistent in their description).

- **North American Free Trade Agreement (NAFTA) Certificate and the Harmonized Tariff Schedule (HTS) Classification Number, schedule B**

  As highlighted in Section I of Market Overview on page 3 of this report, the North American Free Trade Agreement was established. NAFTA systemically eliminated tariff barriers on a number of food products from the U.S., with some exceptions. [7] To ensure those agricultural and food products are recognized by the Canada Border Services Agency as duty free goods, U.S. exporters will need to complete a NAFTA certificate for those first time commercial shipments exceeding $1,000. The certificate requires a Harmonized Tariff Schedule (HTS) classification number in section 6 of the document. This number can range from 6 to 10 digits. U.S. exporters can identify their HTS for Canada by linking on to Canada Border Services Agency:

Customs Tariff 2017
http://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/2017/html/tblmod-eng.html

The Department of Commerce offers a step-by-step tool to look up HS codes specific to Canada and at http://export.customsinfo.com/ . Once registered, companies may search the HS code by typing in the country, and identifying the initial tariff heading or tariff description. The user may drill down the classification to 10 digits and hit *calculate* under the tab duties and taxes and complete codes and tariff treatment information will be provided. Those products qualifying for NAFTA are listed as: *Tariff Treatment 3: United States of America Rate.*

Every five years the World Customs Organization (WCO) updates the tariff classifications due to technology and patterns of trade. There are some number changes in among the agricultural and food products headings that will come into effect January 1, 2017. All exporters are urged to review their classifications to avoid future confusion.

- ✓ ***Tip*:** The tariff schedule is organized in a hierarchical order with the least processed foods in the first chapters and the more processed foods in the later chapters. e.g. vegetables in chapter 7 and cereal preparations in chapter 19.

- ✓ ***Tip***: Exporters are urged to write in the complete set of the 10 digit HS code on their customs documents as this will avoid shipment delays.

Canada's Import Notification Requirements and Electronic Data Interchange (EDI)

The Canadian Food Inspection Agency (CFIA) continues to implement changes on import notification requirements for selected commodities regulated under the Food and Drug Act and Regulations.

Importers and brokers are expected to notify the CFIA of the importation of selected commodities, for the purpose of tracking food safety issues should they arise. The importers of these commodities are

[7] Commodities not included under NAFTA are broiler hatching eggs & chicks, chicken & chicken products, turkey & turkey products, eggs & egg products, milk & dairy products, and margarine. Please see page 37 of the report for further explanation.

required to establish an Electronic Data Interchange (EDI) profile. Those firms that do not have an EDI profile may apply for one, and develop and test the compatibility of their data systems with the CFIA's system. To obtain an EDI profile, importers and brokers may contact:

CFIA EDI Coordinator
Email: EDIcoordination@inspection.gc.ca
Helpline: (613) 773-5322
Availability: Monday – Friday (8:00 a.m. to 4:00 p.m.). After hours, contact 1-800-247-4099

As mentioned above, the CFIA will randomly conduct inspections of particular items, such as meat items, to find out if certain meat shipments will require an inspections, the CFIA has set up the Automated Shipment Inspection Status Search Tool (ASSIST). This tool can be found here: http://asisst-orasi.inspection.gc.ca/ASISST-ORASI/english/common/ASISST-eng.aspx

Canadian Food Inspection Agency – The IMPORT SERVICE CENTER

The Canadian Food Inspection Agency's (CFIA) National Import Service Centre (ISC) serve as a control point in the import process and can respond to import information requests electronically, by phone, or by fax. The ISC works closely with the Canada Border Services Agency (CBSA) in determining the Customs release of agricultural and food items. The ISC handles telephone inquiries and will review and approve proper documentation for all commodities regulated by the CFIA.

http://www.inspection.gc.ca/english/imp/importe.shtml

National Import Service Centre
7:00 a.m. to 3:00 a.m. (Eastern Time)
Phone and EDI: 1-800-835-4486 (Canada or U.S.A.)
1-289-247-4099 (local calls and all other countries)
Fax: 1-613-773-9999 (number for commercial documentation)

Mailing Address:
1050 Courtney Park Drive East
Mississauga, Ontario L5T 2R4

- ✓ ***Tip**:* Pre-clearance is available on meat items and U.S. exporters may contact ISC beforehand with further questions on their documentation.

Small Parcel Shipments

In recent years both Canada Post and courier companies have seen an increase in cross-border shipments due to the influence of e-commerce. The exporter is required to complete all necessary documentation as e.g. way bill, commercial invoice, if applicable, permits, certificates or forms mandated by the Canadian government.

Those shipments exceeding C$20.00 are subject to provincial taxes and the federal Goods and Services Tax /Harmonized Tax and will be collected by the Canada Border Service

Agency (CBSA).[8] In addition, a handling fee of C$ 9.95 per item is assessed. For further questions on the collection of these taxes, U.S. exporters may contact CBSA Border Information Services at 1-204-983-3500 or 1-506-636-5064. Exporters from the United States are encouraged to calculate all charges beforehand, including brokerage fees if applicable, as these added costs may significantly affect the selling price to the buyer/customer.

For additional information please visit:

Canada Border Services Agency on *Importing by Mail or Courier*
http://www.cbsa-asfc.gc.ca/import/postal-postale/menu-eng.html

United States Postal Service (USPS) on *Country Conditions for Mailing – Canada*
http://pe.usps.com/text/imm/ce_003.htm

United States Postal Service – *Customs Forms and Online Shipping*
http://pe.usps.com/text/imm/immc1_009.htm?q=Customs+Forms+and+online+shipping&t=H&s=R&p=1&c=IMM

- ✓ ***Tip**:* To avoid courier shipments being stuck in customs, U.S. exporters are urged to inquire if the appointed courier service is able to act as their assigned customs broker. If so, then please write in clearly the name of the customs broker on the courier way bill.

- ✓ ***Tip:*** To avoid shipments delays, U.S. shippers are recommended to assume all duty (if applicable), tax, clearance, and shipping charges and check the appropriate box on the way bill under *Payment of Charges*. If the Canadian customer/buyer is unfamiliar with importations from the U.S., then it is recommended to either itemize these charges on the invoice or roll it into the selling price.

Sample Products

Food samples not for commercial sale but intended for research, evaluation, or display at trade shows and food exhibitions are permitted temporary entry. For most products, a quantity of 100 kilograms (or approximately 220 pounds) of samples is acceptable. U.S. exporters should be prepared to complete a commercial invoice indicating clearly **ALL PRODUCTS NOT FOR RESALE – SAMPLES ONLY,** as well include the trade show exemption letter for sample importations.

Import documentation or an official inspection certificate is required for samples of meat, poultry, dairy, egg, fruit and vegetable. Information on these certificates may be obtained through the GAIN FAIRS Export Certification Requirements for Canada (CA14113). All temporary and commercial import requirements may be reviewed through the Automated Import Reference Systems (AIRS) at:

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[8] Customs duties are not to be confused with other duties. Products qualifying under NAFTA are duty free.

Automated Import Reference System
http://inspection.gc.ca/english/imp/airse.shtml

FAS/Canada recently published the GAIN Report on *Entering Canada with Products for a Show or Trade Fair* (CA14103). The report outlines thoroughly the necessary procedures and Canadian documentation.

- ✓ ***Tip:*** Ensure all shipments are accompanied with a complete invoice and identify the name of the trade show, along with booth number and complete address as the consignee.
- ✓ ***Tip:*** To ease customs clearance, U.S. exhibitors are recommended to attach a copy of the CBSA letter directed to show management that goods are being imported temporarily under tariff item 9993.00.00.00

Non-Resident Importers and the Good and Services Tax/Harmonized Sales Tax

Most basic groceries are zero-rated by the Canadian Revenue Agency (CRA) and do not pay federal taxes, referred as the Goods and Services Tax (GST) / Harmonized Sales Tax (HST). However, certain foodstuffs as alcoholic beverages, carbonated drinks, snack foods and candies are taxable. To review the definition of basic groceries go to:

Canada Revenue Agency – 4.3 Basic Groceries
http://www.cra-arc.gc.ca/E/pub/gm/4-3/README.html

For those taxable food items, exporters may consider the benefits of establishing their company as a Non-Resident Importer (NRI) as they may reclaim the Federal Goods and Services Tax (GST) of 5 percent. Those exporters not registered as a NRI, will have no recourse to claim the GST assessed on their shipments to Canada. In the Atlantic Provinces and Ontario the federal tax has been harmonized together with the provincial tax and is recognized as the Harmonized Sales Tax (HST). In Quebec, the taxes are combined as well but are referred to as the Quebec Sales Tax (QST). In both instances a non-registered NRI will be assessed both provincial and federal taxes and will have no opportunity to reclaim either taxes.

To register as a NRI, a Business Number (BN) is required. Please review once again, *section VII, item C on Business Customs Step-by-Step Import Procedures and Documentation* on how to obtain a BN. U.S. exporters may contact the Canada Revenue Agency at 1-866-453-0452 or consult with their customs broker. Further information can be reviewed at:

Canada Revenue Agency
Doing Business in Canada – GST/HST Information for Non-Residents
http://www.cra-arc.gc.ca/E/pub/gp/rc4027/README.html

D) Food Regulations

Mandatory Food Product Labeling Requirements

All food products destined for Canada require some degree of label modification. Those destined for the commercial, industrial or institutional market are exempt from the bilingual and nutritional labelling requirements listed below for consumer products. However, due to the interest of maintaining a healthy

diet, number processors are voluntarily providing nutritional information destined to their food service accounts. This information may be adhered to the institutional packages or included in the food service cartons.

Those products destined to the **retail** market, will require the **CORE** mandatory information:

1. **Bilingual Labelling, French and English**
2. Common Name
3. Country of Origin
4. Date Markings and Storage Instructions (includes durable life date)
5. Identity and Principal Place of Business(manufacturer/Canadian dealer, noted "imported for/importé pour")
6. Irradiated Foods
7. Net Quantities expressed in Metric Units
8. Legibility and Location
9. List of Ingredients and Allergens
10. Net Quantity
11. Nutrition Labelling

The following CORE requirements are applicable to certain produce and foods:

12. Identification of irridated foods
13. Identification of permitted food additives
14. Mandatory and voluntary fortification
15. Grades
16. Standards of Identity

Food Labeling Tool

The CFIA provides a food labelling tool that provides detail information on each of the above-mentioned components. Food manufacturers are encouraged to do their homework and work through each of the components of compliancy at :

Industry Labelling Tool
http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/eng/1383607266489/1383607344939

U.S. exporters should be aware the Canadian Government are updating the guidelines for all food labelling, to review these changes go to:

Updates to Food Labelling and Advertising Information
http://www.inspection.gc.ca/food/labelling/updates/eng/1398697584083/1398776210946

It is worth noting, the Universal Product Code (UPC) or bar code is not required or administered by government, and virtually all retailers require products to be labelled with a UPC.

Examples of U.S. and Canadian Labelling

Specific Labelling Requirements on Selected Commodities

Certain selected commodities may require more than the above-mentioned mandatory information and are specific in their labelling requirements as the following products:

- Alcoholic beverages
- Confectionary, chocolate and snack Foods
- Dairy
- Eggs-processed
- Eggs-shelled
- Fats and oils
- Fish and seafood
- Foods for special dietary
- Fresh fruit and vegetables
- Grain
- Honey
- Infant and junior food
- Meat and poultry
- Processed products
- Salt
- Shipping containers
- Water

Exporters are urged to review all requirements and the complete list of food-specific labelling at:

http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/eng/1383607266489/1383607344939

Highlighted below are examples of requirements for selected food-specific labelling

- **Meat Labeling**

As of May 1, 2013, FSIS now requires all products containing 2% or more meat/poultry content to submit their labels to the FSIS Labeling and Program Delivery Staff (LPDS) for approval. All submissions must meet the Canadian labelling requirements and are to be submitted with the modified Canadian label. For additional information please contact LPDS at 1-800-233-3935. f an exporter was previously registered and assigned a number then they may continue to enter these numbers on their documents. CFIA recommends those firms previously issued label registrations by the *Clerk-Label and Recipe Registration Unit;* retain all paperwork for a period of 10 years.

Detailed labeling instructions specific for meat and poultry products can be found at:

http://www.inspection.gc.ca/english/fssa/labeti/meaviae.shtml

of Core

Example Canadian Meat Labeling

requirements

- **Confectionary, Chocolate and Snack Food Products**

Confectionary products and snack foods are 'unstandardized foods,' meaning that there are no standards of composition. However, this is not the case for chocolate products, such as bittersweet chocolate, semi-sweet, dark chocolate, etc. To review these composition standards, processors at: (Part 7, division 4 of the Food and Drug Regulations: http://laws-lois.justice.gc.ca/eng/regulations/C.R.C.,_c._870/page-29.html#h-65. Chocolate and Cocoa products must use the standard common name when referring to the product, such as 'dark chocolate.' For confectionary items, it is noted in the regulations that if the product is considered and sold as a one bite confection, the product is exempt from the Nutrition Facts table however the retail package they might come in are still subject to the labelling requirements. CFIA are specific in the use of common names for confectionary, chocolate and snack items and U.S. exporters are urged to review these regulations closely. For example, potato chips flavored with acetic

acid rather than vinegar but not be described as 'salt and vinegar,' but can be describes as 'salt and artificial vinegar potato chips.'

- **Pet Food Labeling**

The labeling and advertising of pet food sold in Canada is governed by the *Consumer Packaging and Labelling Act* and the *Competition Act* administered by the Competition Bureau of Industry Canada. The Bureau oversees the pet food labels and advertising are truthful and verifiable.

There are voluntary labeling and advertising standards in place, these guidelines are restricted to pet food for dogs and cats, and do not apply to pet treats or to food for other pets. Further information can be found at:

Guide for the Labelling and Advertising of Pet Foods
http://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/01229.html

As mentioned earlier, the Foreign Agricultural Service offices in Canada maintains a list of Canadian-based labelling specialists that are well versed in Canadian French and all technical matters on labelling. These services are available for a fee. Those U.S. firms with in-house labelling specialists may consult with the CFIA on specific matter. Their national and area offices are listed below:

Canadian Food Inspection Agency National and Area Offices
http://www.inspection.gc.ca/about-the-cfia/offices/eng/1313255382836/1313256130232

National Headquarters

1400 Merivale Road
Ottawa, Ontario K1A 0Y9
Tel.: 1-800-442-2342 or (613) 773-2342
TTY: 1-800-465-7735
Fax: (613) 228-6601

Atlantic Area
New Brunswick
1081 Main Street, P.O. Box 6088
Moncton, New Brunswick E1C 8R2
Tel.: (506) 777-3939
Fax: (506) 777-3942

Ontario Area
174 Stone Road West
Guelph, Ontario N1G 4S9
Tel.: (226) 217-8555
Fax: (226) 217-8495

Quebec Area
2001 Robert – Bourassa Boulevard
Montreal, Quebec H3A 3N2
Tel.: (514) 283-8888
Fax: (514) 283-3143

Western Area
1115 57th Avenue North East
Calgary, Alberta T2E 9B2
Tel.: (587) 230-2200
Fax: (587) 230-2253

Labeling of Shipping Containers

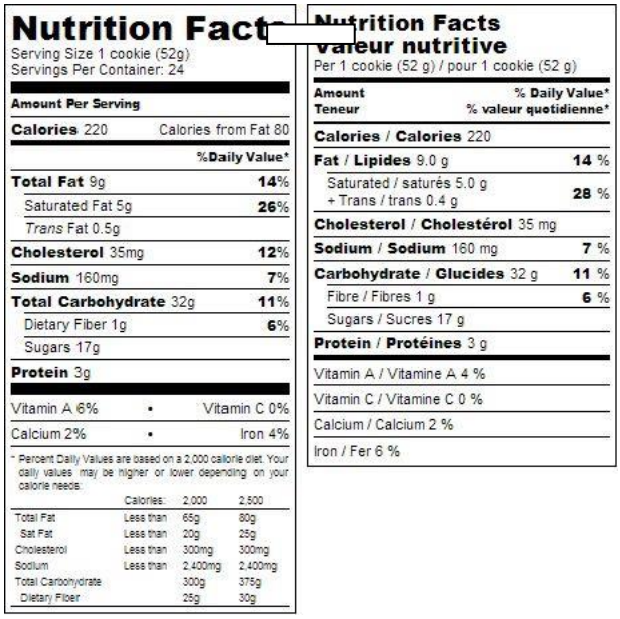
Labels of shipping containers used for industrial or institutional use as mentioned above are exempt from bilingual labeling requirements and providing the nutrition facts table. The outside of the container requires a product description, the name and address of the U.S. company and a net quantity declaration in either metric or imperial units. If the food inside the container(s) is not for sale directly to consumers (e.g., foodservice, etc.), that label may also be in either French or English, but all other mandatory label information, such as the list of ingredients, is required to be shown. Please review section 2.15 - http://www.inspection.gc.ca/english/fssa/labeti/guide/ch2ae.shtml#2.15

Nutrition Labeling

U.S. nutrition panel is not permitted on the labels of foods sold in Canada and exporters are to adhere to Canadian guidelines.

CFIA offers a link to a nutrition labeling toolkit to assist all manufacturers in meeting regulations:

http://www.inspection.gc.ca/english/fssa/labeti/nutrikit/nutrikite.shtml



Nutrition Facts
Serving Size 1 cookie (52g)
Servings Per Container: 24

Amount Per Serving	
Calories 220	Calories from Fat 80
	%Daily Value*
Total Fat 9g	**14%**
Saturated Fat 5g	**26%**
Trans Fat 0.5g	
Cholesterol 35mg	**12%**
Sodium 160mg	**7%**
Total Carbohydrate 32g	**11%**
Dietary Fiber 1g	**6%**
Sugars 17g	
Protein 3g	
Vitamin A 6% •	Vitamin C 0%
Calcium 2% •	Iron 4%

* Percent Daily Values are based on a 2,000 calorie diet. Your daily values may be higher or lower depending on your calorie needs.

	Calories:	2,000	2,500
Total Fat	Less than	65g	80g
Sat Fat	Less than	20g	25g
Cholesterol	Less than	300mg	300mg
Sodium	Less than	2,400mg	2,400mg
Total Carbohydrate		300g	375g
Dietary Fiber		25g	30g

Nutrition Facts
Valeur nutritive
Per 1 cookie (52 g) / pour 1 cookie (52 g)

Amount Teneur	% Daily Value* % valeur quotidienne*
Calories / Calories 220	
Fat / Lipides 9.0 g	**14** %
Saturated / saturés 5.0 g + Trans / trans 0.4 g	**28** %
Cholesterol / Cholestérol 35 mg	
Sodium / Sodium 160 mg	**7** %
Carbohydrate / Glucides 32 g	**11** %
Fibre / Fibres 1 g	**6** %
Sugars / Sucres 17 g	
Protein / Protéines 3 g	
Vitamin A / Vitamine A 4 %	
Vitamin C / Vitamine C 0 %	
Calcium / Calcium 2 %	
Iron / Fer 6 %	

U.S. ***Canadian***

Source: Recipal.com

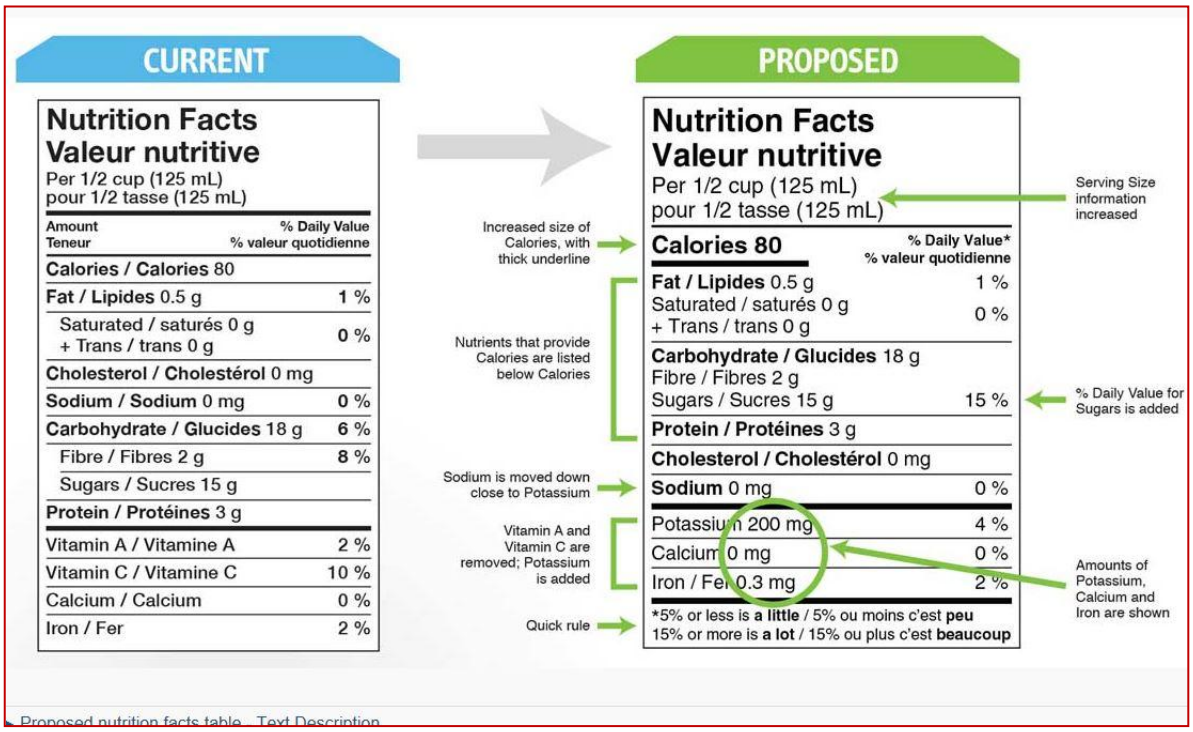
- ✓ *Tip*: To review guidelines on formatting Nutrition Labelling: http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/nutrition-labelling/eng/1386881685057/1386881685870

As mentioned, earlier the Canadian Government will be introducing new guidelines to the Nutrition Facts Table (NFT) in 2017. Changes are anticipated with regards to:

- Serving size declarations
- Reference amounts
- Daily Values
- List of core nutrients
- Sugar labelling
- Format of the NFT
- Legibility requirements for the list of ingredients

To review these changes closely, please access GAIN Report on Proposed Changes to Nutrition Labelling Regulations Published (CA15058).

Example of the Proposed Changes on Nutrition Facts Table (not yet confirmed as law)



Source: Government of Canada/http://healthycanadians.gc.ca/health-system-systeme-sante/consultations/food-label-etiquette-des-aliments/nutrition-facts-valeur-nutritive-eng.php

a. Labeling Exemptions

Some prepackaged foods are exempt from mandatory nutrition labeling. [B.01.401 (2) (a,b) B.01.401 (3) of the Food and Drug Regulations (FDR)].

http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/nutrition-labelling/exemptions/eng/1389198015395/1389198098450?chap=2

a) foods, such as spices, vinegar, coffee and (but not sweetened versions), and some bottled waters;

b) beverages with an alcohol content of more than 0.5 percent;

c) fresh vegetables and fruit or any combination of fresh vegetables or fruits without any added ingredients, orange with added color or a fresh vegetable or fruit coated with paraffin wax or petrolatum. This category includes fresh herbs such as parsley, basil, thyme, etc. (but not dried herbs); sprouts; and fruits and vegetables that are minimally processed (e.g., washed, peeled, cut-up, shredded, etc.), including mixtures of fruits and vegetables, such as bagged mixed salad and coleslaw (without dressing, croutons, bacon bits, etc.).

d) raw, single ingredient meat, meat by-product, poultry meat, and poultry meat by-product;
Note: Prepackaged ground meat, ground meat by-product, ground poultry meat and ground poultry meat by-product must always carry a Nutrition Facts table [B.01.401(2)(b) (iii), FDR];

e) raw, single ingredient marine or freshwater animal products (such as fish, crustaceans, etc.);

f) foods sold only in the retail establishment where the product is prepared and processed, including products made from a pre-mix when an ingredient other than water is added to the pre-mix;
Note: A Nutrition Facts table is required from bulk at retail are one variety of food (such as the egg rolls alon,etc.) , unless it has a ADS of less than 200 cm^2 or consists of individual servings sold for immediate consumption [B.01.401(2) (b)(v), FDR].

g) foods sold only at a roadside stand, craft show, flea market, fair, farmers' market and sugar bush by the individual who prepared and processed the product;

h) individual serving that is sold for immediate consumption that has not been subjected to a process to extend its durable life, including special packaging [B.01.401(2)(b)(vii), FDR];

i) foods sold only in the retail establishment where the product is packaged, if the product is labeled by means of a sticker and has an Available Display Surface less than 200 cm^2 [B.01.401(2) (b) (vii), FDR] Available Display Surface (ADS)

b. Losing the Exemption

Some of the reasons for losing an exemption may vary. Following are some examples:

- A vitamin or mineral nutrient is added to the product;
- A vitamin or mineral nutrient is declared as a component of an ingredient (other than flour);
- Aspartame, sucralose, or acesulfame-potassium is added to the product;
- The product is ground meat, ground meat by-product, ground poultry meat or ground poultry meat by-product; or
- The label or advertisement contains one or more of the following:
    - A function claim
    - A health claim
    - A health-related name, statement, logo, symbol, seal of approval or trade-mark
    - The phrase "nutrition facts", "valeur nutritive" or "valeurs nutritives"

Gluten-free and other allergen-free claims are not considered to be nutritional or health-related properties on their own.

Enhanced Labeling Regulations on Food Allergen, Gluten and Added Sulphite Labelling

Health Canada and CFIA recently added gluten sources, mustard, and sulphites with levels of 10 ppm to the list of *Priority Food Allergens* list. These sources must be declared on the label either in the a) the ***list of ingredient***s or in a statement: ***Contains (name the allergen).***
Health Canada defines allergens as any protein from the following foods or any modified protein including any protein fraction (e.g. hydrolyzed protein) derived from the following:

Priority Food Allergens Derivatives and Gluten Sources
Tree Nuts; almonds**,** Brazil nuts, cashews, hazelnuts (filberts), macadamia nuts, pecans, pine nuts (pinyon, pinon), pistachios and walnuts;
Peanuts or its derivative**s**
Sesame or its derivatives
Wheat, triticale, barley, rye, and oats
Eggs or its derivatives
Milk or its derivatives
Soy or its derivatives
Crustaceans
Fish, crustaceans and shellfish
Mustard or its derivatives
Sulphites

In addition, the regulations require manufacturers to use common names on the label and the following are specific examples:

- Spelt and kamut are to be declared as wheat
- Hydrolyzed vegetable protein is to be declared as hydrolyzed soy protein
- Potassium bisulphite to be declared as sulfating agents

The CFIA's offers a checklist and a tool for food suppliers and manufacturers in managing allergen risks at:

Tool for Managing Allergen Risk for Food Products
http://www.inspection.gc.ca/english/fssa/invenq/inform/toualle.shtml

Canadian Food Inspection Agency Labeling Updates

U.S. food exporters are recommended to keep current on any labeling changes as periodically there may be amendments to the regulations. The list of these updates can be found at:

CFIA's Updates on Food Labelling and Advertising Information
http://www.inspection.gc.ca/food/labelling/updates/eng/1398697584083/1398776210946

Tariffs and Tariff Rate Quotas (TRQs)

Effective January 1, 1989 the tariff provisions of the U.S. - Canada Free Trade Agreement (FTA) removed all tariffs between the two countries with the exception of those products for which Canada implemented tariff rate quotas on January 1, 1995. The provisions of the FTA were incorporated into the NAFTA to which Mexico is also a signatory. The NAFTA came into effect on January 1, 1994.

In 1995, under the World Trade Organization (WTO) agreement, Canada replaced import quotas on certain agricultural products with Tariff Rate Quotas (TRQs). Under the TRQ system, imports that are within quotas are subject to low or free rates of duty, until the quota limit has been reached. Once quota limits have been reached, over quota imports are subject to significantly higher Most-Favored-Nation (MFN) rates of duty. To import and market TRQ commodities at the lower within quota rate of duty, a business must be a registered Canadian business entity and must be in possession of an import permit. These companies are referred to as 'quota holders.' For most commodities, TRQs are already allocated with only a few available for new Canadian businesses. The provisions related to TRQs affect exporters of the following U.S. agricultural commodities:

- Broiler Hatching Eggs & Chicks
- Chicken and Chicken Products
- Turkey and Turkey Products
- Eggs and Egg Products
- Milk and Dairy Products (including cheese)
- Margarine

Global Affairs Canada, formerly the Canadian Department of Foreign Affairs, Trade and Development (DFATD) is responsible for the administration of all such TRQs. Import permits are required and are allocated annually, free of charge, to several groups of qualified Canadian importers (such as historical, processors, distributors, and food service entities) who use the permits throughout the year. Global Affairs Canada charges a small processing fee for the issuance of permits and makes the list of the importing companies (quota holders), as well as other TRQ related information, is publicly available at Controlled Products.

Global Affairs Canada – Controlled Products
http://www.international.gc.ca/controls-controles/prod/agri/index.aspx?menu_id=3&menu=R

Under Canada's trade agreements, U.S. exporters enjoy duty-free access for the amounts of supply managed products shipped under the quantitative limits of the TRQs. A number of Canadian importers solicit U.S. exporters to pay considerable amounts of money so they can recover the so called "price of import permits". These requested amounts can represent more than 50 percent of the value of the product being exported. Canadian importers justify this as their cost of purchasing import permits from the original companies that received the permits from DFATD and which do not intend to use them. While U.S. exporters have the latitude to engage in business transactions that they deem appropriate, Canadian importers often overcharge US businesses in their efforts to pass the cost of the import permits to the suppliers while collecting additional "rent". The price differential between the strictly controlled

Canadian and the open U.S. markets is typically amply sufficient to allow importers to recover the so called "price of import permits" without U.S. exporters paying any additional amount.

***Important note for U.S. meat exporters**:* Canada has further TRQs that affect both the level and the tariff rates of imports from non-NAFTA origin of pork, beef, and wheat, barley and their products, but they do not apply to imports of U.S. origin (or Mexican origin when eligible).

Packaging and Container Regulations

Canadian regulations governing package sizes for fruits and vegetables, processed horticultural products and processed meats stipulate standardized package sizes that may differ from U.S. sizes. The standards of identity and the container sizes are generally stipulated in the regulations encompassing agriculture and food products. Electronic access to all Canadian food-related regulations is available through: http://laws-lois.justice.gc.ca/eng/acts/C-0.4/

- **Container Sizes: Honey**

Imported honey without added flavors must meet specific grades and standards. All honey must be sold in standard container sizes in specific net quantities and are outlined in section 29/part II the *Honey Regulations.* The regulations can be reviewed at: http://laws-lois.justice.gc.ca/eng/regulations/C.R.C.,_c._287/index.html

- **Container Sizes: Processed Horticultural Products**

Imported processed horticultural products (frozen, canned and jarred) are subject to the requirements of Canada's *Processed Products Regulations*. These regulations stipulate the standards and grades for processed fruits and vegetables. There are specified container sizes on selected products which differ then those sizes in the U.S. Some examples are canned beans, jams/jellies, infant and junior foods, condensed and ready to serve vegetable soups, pickles/ relishes, and horseradish. Beyond these sizes, Canadian rules require a ministerial exemption, or bulk waiver of standardized package which at times may be difficult to obtain. To review those processed products requiring specified container sizes please review schedule I, II, III, and IV at the end of the table of contents of the *Processed Product Regulations* are available for viewing at the following Justice Department website: http://laws-lois.justice.gc.ca/eng/regulations/C.R.C.,_c._291/index.html

- **Container Sizes: Fresh Fruit and Vegetables**

CFIA specifies container sizes for certain regulated produce commodities in Canada which may not be marketed in a container larger than 50 kg net weight, except for apples where the maximum container size is 200 kg. The standard container sizes for prepackaged produce are listed in schedule II (section 6.1) of the *Fresh Fruit and Vegetable Regulations* at: http://laws-lois.justice.gc.ca/eng/regulations/C.R.C.,_c._285/index.html

Please see other requirement for grading, licenses and waivers further ahead on page 41 as it pertains to **Fresh Fruit and Vegetables Requirements.**

- **Container Sizes: Processed Meats**

Canada's Meat & Poultry Inspection Regulations stipulate the standard package size requirements for processed meat and poultry products such as bacon, sausages, sliced meats and wieners. Common U.S. package sizes for these products are different from Canadian standardized sizes. For example, sliced bacon cannot be sold in a 1 lb. package in Canada. It is mostly sold in 500 g packages, one of the standardized sizes in the regulations. Schedule II of the *Meat Inspection Regulations* lists all the acceptable package sizes for processed meats. It can be viewed on the Department of Justice website at: http://laws-lois.justice.gc.ca/eng/regulations/SOR-90-288/page-12.html#docCont

Food Additive Regulations

Canada's Food and Drugs Act and Regulations strictly control the use of food additives. Most foods approved for sale in the United States comply with Canadian additive regulations, but differences can occur at the permissible levels and in the use of food colorings and food preservatives. The food additive tables in Division 16 of the Food and Drug Regulations prescribe which additives are permitted in Canada, and those that can be added to food and their allowable levels. Products containing restricted food additives may be refused entry into Canada. Canada's Food and Drugs Act and Regulations are available at:

Food and Drug Regulations, Division B.16
http://laws-lois.justice.gc.ca/eng/regulations/C.R.C.,_c._870/page-69.html#h-110

Lists of Permitted Food Additives
http://www.hc-sc.gc.ca/fn-an/securit/addit/list/8-other-autre-eng.php

Requests for approval of a food additive not currently being used in retail foods must be submitted to Health Canada. Contact information for submissions is:

Submission Management and Information Unit
Food Directorate,
Health Products and Food Branch, Health Canada
Postal Locator 2202E
251 Sir Frederick Banting Driveway, Tunney's Pasture
Ottawa, Ontario K1A 0K9
Tel.: 613-960-0552 Email: smiu-ugdi@hc-sc.gc.ca
Guide for the Preparation of Submissions of Food Additives
http://www.hc-sc.gc.ca/fn-an/pubs/guide-eng.php

Pesticides and Other Contaminants

Health Canada's Health Protection Branch sets **maximum residue limits (MRLs)** for pesticides. A full listing of Canadian MRLs is available on the Pest Management Regulatory Agency's (PMRA) website at: http://pr-rp.hc-sc.gc.ca/mrl-lrm/index-eng.php

Some agricultural chemicals approved for use in the United States are not registered in Canada, and therefore do not have an established MRL. As a result, imported foods which contain unregistered

pesticide residues above 0.1 parts per million (ppm) are deemed to be adulterated under Section B.15.002 (1) of Canada's Food and Drug Regulations. The goods are subject to detention, destruction, or return.

Contact information for registration is:

Pest Management Regulatory Agency
Health Canada
2720 Riverside Drive
Ottawa, Ontario K1A 0K9
Tel.: (613) 736-3799
Email: Pmra-arla.docs@hc-sc.gc.ca

Electronic registration

http://www.hc-sc.gc.ca/cps-spc/pest/registrant-titulaire/eprs-serp/index-eng.php

- ✓ ***Tip***: Exporters are reminded to include with their registration, correct labels and specific statements of product specifications (SPS), PRZ indexes, and notifications.

D) Other Regulations and Requirements

As part of a Canadian government initiative to partially recover costs associated with providing inspection services, most federal departments charge fees to industry for inspection and product registrations. Canada claims its fee structure is consistent with WTO provisions for national treatment in that the fees apply equally to Canadian domestic and import sales.

- **Requirements for Fresh Meats**

Federally inspected USDA meat and poultry plants must be on the Food Safety Inspection Service's (FSIS) list of approved establishments to export fresh meats to Canada. All U.S. exporters should be aware that establishments not listed in the current FSIS Meat and Poultry Inspection Directory may experience delays in getting their certificates pre-verified. Contact the FSIS Import/Export

Coordination and Policy Development staff for assistance as questions may be submitted online:

Phone: 1-800-233-3935, ext. 2
Website: http://askfsis.custhelp.com/
Submitting questions: http://askfsis.custhelp.com/app/answers/detail/a_id/802/related/1

An Agricultural Marketing Service (AMS) Export Verification (EV) program is no longer required for export of beef and beef products to Canada, but it is required for bison or buffalo meat. Since U.S. bovine spongiform (BSE) regulations do not apply to bison or buffalo, meat and meat products derived

from these species must be produced under an approved AMS EV program. The red meat export requirements for shipments to Canada are detailed on the FSIS site and will require FSIS form 9135-3: http://www.fsis.usda.gov/wps/portal/fsis/topics/international-affairs/exporting-products/export-library-requirements-by-country/Canada-Special

- **Requirements for Fresh Fruits and Vegetables**

All fruits and vegetables imported into Canada must meet specific standards and packaging regulations laid out in the Canada Agricultural Products Act (CAPA), Fresh Fruit and Vegetable Regulations and Processed Product Regulations. To review these regulations go to:

> *Fresh Fruit and Vegetable Regulations:*
> http://laws-lois.justice.gc.ca/eng/regulations/C.R.C.,_c._285/

All U.S. fresh fruits and vegetable exporters must:

- Comply with Canadian grade standards and packaging regulations
- Obtain Canadian Confirmation of Sale form
- Know consignment selling is prohibited
- Obtain a Canadian fresh fruit and vegetable license
- Obtain a Canadian special waiver of standard container regulations for bulk products
- File a Canada Customs invoice

All Canadian Import Requirements at:

> *Overview – Import and Interprovincial Requirements for Fresh Fruit and Vegetables*
> http://www.inspection.gc.ca/english/fssa/frefra/cdnreqe.shtml

Beginning in 1995, Canada dropped the mandatory requirement (except for apples, onions, and potatoes) that U.S. exports of fresh produce be accompanied by USDA Agricultural Marketing Service (AMS) certification (a grading inspection program) that required U.S. inspection prior to shipment to Canada. Some U.S. exporters still choose to obtain AMS certification as evidence their produce left the shipping point in grade and condition.

In 2012, as part of a *Beyond the Border Initiative*, the number of AMS certification on apple shipments has gradually been reduced each year and it is anticipated that in future years this mandatory requirement may be phased out.

Canada requires all foreign shippers of fresh produce to place a grade on consumer size packages for which Canadian grades are established. The law also requires a country of origin declaration with the grade and weight (in metric) printed in a letter size directly proportional to the size of the package display surface.

If grades and standard container sizes are specifically addressed in Canadian regulation, bulk imports require a special exemption from the Canadian Food Inspection Agency. This exemption is not granted unless there is a shortage of domestic supply. The Canadian Ministerial exemptions, is a regulatory

vehicle to import that is only granted by the Government of Canada on a case-by-case basis to Canadian business when there is a proven shortage of a produce commodity.

Canadian importers may obtain more information in applying for a Ministerial Exemption at:

> *Guidelines for Requesting Ministerial Exemptions for Fruits and Vegetables*
> http://www.inspection.gc.ca/english/fssa/frefra/qual/meguide.shtml

E) Other Specific Standards

Food Fortification

http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/fortification/eng/1468504433692/1468504697186

Under the Food and Drug Regulations of Canada, certain foods and beverages require **mandatory** fortification to help restore the vitamins and minerals lost through the manufacturing process. The food fortification policy aims to restore certain nutrients that will serve to prevent certain illnesses and provide public health benefits to the general populations. For example, milk is fortified with vitamins A and D has helped to prevent rickets among children. There are other foods/beverages where fortification is **voluntary**, such as cereals and juices. Health Canada is specific as to those vitamins, mineral, and other nutrients that are permitted and the regulations are specific to the amounts. Food manufacturers may review which foods require mandatory and those that are voluntary at:

> Foods to which vitamins, mineral nutrients and amino acids may or must be added
> http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/nutrient-content/reference-information/eng/1389908857542/1389908896254?chap=1

Supplemented Foods and Test Marketing Authorizations

As defined by Health Canada, food manufacturers introducing foods with added vitamins, minerals, amino acids, herbal or bioactive ingredients that "perform a physiological role beyond the provision of nutritive requirements," must ensure the levels and ingredients are compliant with Canada's Food and Drug Regulations. These foods may include certain functional foods, if they do not meet Canadian compliancy then they cannot be sold legally in Canada without applying for a Test Marketing Authorization (TMA) with Health Canada. The TMA is a tool that helps the government to authorize the sale of products and substances with beneficial health impacts on consumers that are not currently permissible in the regulations. Examples of products with TMAs can range from energy drinks to certain agents/additives with antimicrobial properties that improve the safety of meat products or products. Their respective fortification levels are not currently subscribed under the Food and Drug Act. To obtain a TMA, the process is rigorous and lengthy and may take up to two years to obtain authorization. All applications are closely analyzed by the Assistant Deputy Minister of Health Products and Food Branch of Health Canada. To learn the TMA process and the permissible levels of vitamins, nutrients, and ingredients, go to:

Category Specific Guidance for Temporary Marketing Authorization: Supplemented Foods
http://www.hc-sc.gc.ca/fn-an/legislation/guide-ld/sf-tma-amt-as-eng.php#s8.0

During the application period, Health Canada may request the manufacturer for additional information. Those companies that do not receive approval will be sent a *Refusal Letter* and those obtaining approval will be issued a **Temporary Marketing Authorization Letter (TMAL).** These letters are issued for a period of 2 to 5 years. During this time, the manufacturer or the industry/association will be expected to share research, scientific findings, and even sales and marketing data to Health Canada as this data will serve to support a future proposed amendment to the *Food and Drug Regulations* to help regulate the product/category in the future.

For more information please contact:

Food Additives

Director, Bureau of Chemical Safety
Food Directorate – Health Canada
Postal Locator: 2202C
Ottawa, Ontario K1A 0K9
Tel.: 613-957-0973 Fax: 613-954-4674
Email. bcs-bipc@hc-sc.gc.ca

Vitamins and Minerals

Director, Bureau of Nutritional Sciences
Food Directorate - Health Canada
251 Sir Frederick Banting Driveway
Postal Locator A.L. 2203E
Tunney's Pasture
Ottawa, Ontario K1A 0K9
Tel.: 613-957-4546 Fax: 613-613-948-8470
Email. bns-bsn@hc-sc.gc.ca

To better understand those types of foods that have received Temporary Marketing Authorization Letters, go to: http://www.hc-sc.gc.ca/fn-an/legislation/acts-lois/list-tmal-rpsn-eng.php

- **Test Marketing Authorizations (CFIA's TMA) under the Processed Products Regulations (PPR)**

PPR: http://laws-lois.justice.gc.ca/eng/regulations/C.R.C.,_c._291/page-13.html?txthl=peaches+canned+can#sched4

The CFIA issues their own TMAs and this should not be confused with those applications submitted directly to Health Canada as the process is not as rigorous. Processors are encouraged to first review the regulations under the Processed Products Regulations to identify whether the added additives, flavoring,

agents, and other nutrients are permissible. If it is not but are permissible under the Food and Drug Regulations then processors are to apply for a CFI's TMA at:

Director, Consumer Protection and Market Fairness Division
Canadian Food Inspection Agency
1400 Merivale Road
T2-6-150
Ottawa, Ontario K1A 0Y9

Manufacturers may review this procedure here:
Part 1.2, Section 9.1 (PPR) http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/test-marketing/eng/1394481525962/1394481573609?chap=1#s1c1

- **Test Marketing Exemptions under the Consumer Packaging and Labelling Regulations and the Drug Regulations: Processed Food Products**

These authorizations do not apply to U.S. brand introductions into Canada for processed foods of a type of food already available on retail shelves. By definition, a product that obtains Test Market Exemption must never have been sold in Canada. The product must differ substantially from any other food sold in Canada with respect to its composition, function, state or packaging form. These exemptions are rarely issued and are temporary and usually granted for a period between 12 to 24 months. Please note, that only Canadian companies or importers with a registered establishment may submit an application directly to CFIA. .

The procedure for an importer to apply for a Test Market Exemption is outlined here:

> *CFIA, Test Market Authorizations:*
> http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/test-marketing/eng/1394481525962/1394481573609?chap=1#s2c1

Copyright and/or Trademark Laws

The federal agency responsible for registering copyrights and trademarks in Canada is the Canadian Intellectual Property Office, a branch of Industry Canada.

The Canadian law protects all creative works, provided the conditions set out in the Copyright Act have been met. The general rule the copyright lasts for the life of the author, the remainder of the calendar year in which the author dies, and for 50 years following the end of the calendar year.

Registered trademarks are entered on the Trademark Register and can provide U.S. companies direct evidence of ownership. Trademark registrations are valid for 15 years in Canada.
To register a trademark, an application (with fee) must be sent to the Trademarks Office. In most instances, a trademark must be used in Canada before it can be registered. For more detail on the procedure, please review the Trademarks Act. The Trademarks Office advises that companies hire a registered trademark agent to facilitate registration.

For further information on making a copyright / trademark application in Canada, go to:

Mail/Visit

Canadian Intellectual Property Office
Industry Canada
50 Victoria Street, Room C-114
Gatineau, Quebec K1A 0C9
Courier
50 Victoria Street, Room C-114
Gatineau, Quebec J8X 3X1
Tel.: 1-866-997-1936 Fax: (819) 953-2476

Copyrights
http://www.cipo.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/h_wr00003.html?Open&src=cipo-mm-cpyrght

Trade-marks
http://www.cipo.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/h_wr00002.html

The Use of Health Claims and Types

Health claims must be truthful and not misleading. It is mandatory that health claims be substantiated before they are used on food labels in Canada. The Canadian government classifies health claims into three categories: **general health claims, function**, and **disease risk reduction.**

To review all forms of claims go to:

Health Claims
http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/health-claims/eng/1392834838383/1392834887794

- **General Health Claims**

General health claims do not require approval by the Canadian government as they promote healthy eating or provide a dietary guidance. This kind of claim does not refer to a health effect, disease, or health condition. Statements that imply 'healthy choice' or use a logo or symbol are subject to review and must not be false, misleading or deceptive. These claims do not refer to health effect, disease, or health condition. For more details go to:

http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/health-claims/eng/1392834838383/1392834887794?chap=11

- **Disease Risk Reduction Claims**

Disease risk reduction claims are statements that link a food or a constituent of a food to reducing a risk

of developing a diet-related disease or condition. These claims are substantiated by sound scientific evidence that have established a relationship between certain elements of healthy diets and the risk reduction of certain diseases.

An example of a label advertising a food which is low in sodium and reduces risk of high blood pressure might carry the following disease risk reduction claim (assuming specific composition and labeling conditions are met): "A healthy diet containing foods high in potassium and low in sodium may reduce the risk of high blood pressure, a risk factor for stroke and heart disease. (Naming the food) is a good source of potassium and is low in sodium."

The Food and Drugs Act and Regulations provide for claims that deal with the following relationships:

- A diet low in sodium and high in potassium, and the reduction of risk of hypertension;
- A diet adequate in calcium and vitamin D, and the reduction of risk of osteoporosis;
- A diet low in saturated fat and *trans* fat, and the reduction of risk of heart disease;
- A diet rich in vegetables and fruits, and the reduction of risk of some types of cancer; and
- Minimal fermentable carbohydrates in gum, hard candy or breath-freshening products, and the reduction of risk of dental caries.

Table of Acceptable Disease Risk Reduction Claims and Therapeutic Claims:
http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/health-claims/eng/1392834838383/1392834887794?chap=6

- **Function Claims**

Health Canada defines function claims that describe the beneficial effects of foods or food constituents on normal functions or biological activities of the body associated with health or performance. They are based on the role that the food or food constituent plays when consumed at level consistent with normal dietary patterns. There are conditions of use, including minimum levels and content requirements, before a function claim can be made. Scientific evidence should be ready to be presented, if requested by Health Canada.

Conditions and Acceptable Function Claims Table
http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/health-claims/eng/1392834838383/1392834887794?chap=8#s16c8

- **Nutrient Function Claims**
  These statements are a subset to function claims. They pertain to a food's energy value or a nutrient contained in the food that is recognized as an aid to maintain functions of the body in good health and normal growth and development. To review conditions and acceptable nutrient functions claims go to the Acceptable Nutrient Function Claims Table:
  http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/health-claims/eng/1392834838383/1392834887794?chap=8#s16c8

- **Probiotic Function Claims**

These statements are a subset to function claims. These claims relate to live microorganisms which when administer in adequate amounts provide a health benefit. An example is "contains bacteria that are essential to the healthy system." http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/health-claims/eng/1392834838383/1392834887794?chap=9

Method of Production Claims and Types

http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/method-of-production-claims/eng/1389379565794/1389380926083?chap=9%20-%20s4c9

These claims refer to how a product is produced, grown, handled and manufactured and are subject to the Foods and Drugs Act and the Consumer Packaging and Labelling Act . The CFIA prohibits claims that are misleading, false, or deceptive to the consumer and demands all producers ensure these claims are true and specific. There a number of claims in this category and we have a highlighted the most common below.

Types of Claims

- **Natural Claims on Meat, Poultry and Fish Products**

Meat, poultry and fish products may use the claim "natural" provided it is not based on raising practices, the claim "naturally raised" is permissible requiring further explanation that appears along near the claim on the label. Other specific claims that convey specific information on these methods must be truthful and not misleading. Producers are urged to review closely the definition of what is natural here:

Nature, Natural
http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/method-of-production-claims/eng/1389379565794/1389380926083?chap=2

The CFIA is specific on claims of:

- Raised without the use of antibiotics (this includes anticoccidials)
- Raised without the use of added hormones
- Raised without animal by-products
- Free-range
- Grain-fed
- Milk-fed veal

The above list of claims is not exhaustive, and a company may submit a Method of Production claim for review by CFIA. Further guidelines are available at:

Method of Production Claims for Meat, Poultry and Fish Products
http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/method-of-production-claims/eng/1389379565794/1389380926083?chap=7

- **Kosher Claims**
  http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/method-of-production-claims/eng/1389379565794/1389380926083?chap=4

Foods deemed as kosher must be processed in accordance with the requirements of the Kashruth is made by a Rabbi or Rabbinical organization and identified with the appropriate Rabbi or Rabbinical organization symbol. Canada's *Food and Drug Regulations(B.01.049)* prohibits the use of the word kosher, or any letter of the Hebrew alphabet, or any other word, expression, depiction, sign, symbol, mark, device or other representation that indicates or that is likely to create an impression that the food is kosher if the product does not meet the requirements of the Kashruth.

- **Halal Claims**
  http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/method-of-production-claims/eng/1389379565794/1389380926083?chap=5

"Halal" is an Arabic word meaning lawful or permitted and is the dietary standard of observant Muslims. The use of the word "halal" or any letters of the Arabic alphabet, or any other word, depiction, sign, symbol, device or other representation may be only be used on the label when the name of the certifying body is indicated on the label, package, or in the advertisement of the food.

CFIA points out that acronyms and company logos may not be easily understood to all consumers. For this reason, the complete name of the person or body that certified the food as halal must be present on the label.

- **Homemade, Artisan Made**
  http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/method-of-production-claims/eng/1389379565794/1389380926083?chap=6

In recent years, the use of homemade and artisan have become popular. The CFIA defines "homemade" as those foods **not** commercially prepared. The claim "artisan made" refers to products that are made in small batches and limited use of automated machines performing mass quantities of food. CFIA considers the use of a brand name or a trademark symbol in conjuction with the the term "homemade" to be misleading, including small, artisan like establishments. The terms "homemade style", "home-style", or "like homemade" are acceptable for those foods that contain mixes in whole or part from commercial or private recipes.

- **Gluten Free Claims**
  Compliance and Enforcement of Gluten-Free Claims (B.24.018)
  http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/allergens-and-gluten/gluten-free-claims/eng/1340194596012/1340194681961

In recent years, there has been a flood of gluten free products entering the market. It is prohibited to claim a product is or give the impression that it is 'gluten free,' should it be derived from barley, oats, rye, triticale, or wheat, kamut, or spelt. This also applies to products derived from modified gluten protein, protein fraction derived from any cereals, and/or a hybridized strain deemed as a gluten product.

Food products containing less 20 ppm (parts per million or milligrams per kilogram) of gluten may be considered gluten – free foods provided they are prepared under good manufacturing practices. CFIA advises those products with less than 20 ppm of gluten still state on their label that the product 'contains less than 20 ppm gluten.'

This past year, Health Canada permitted the use of 'gluten free oats,' provided they do not contain more than 20 ppm of gluten. At the same time, Health Canada and CFIA announced beer manufacturers may only use claim their products are 'gluten free,' provided the product is fully processed using gluten free grains.

Novel Foods (including Foods Containing Genetically Modified Crops)

http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/method-of-production-claims/eng/1389379565794/1389380926083?chap=3

Health Canada defines novel foods, feeds, and plants that have been produced through a new processes. These products do not have a history of safe use as a food; or products that have been modified by genetically manipulated (i.e., from foods containing genetically modified (GM) crops). These products to be legally sold in Canada, must be proven to be safe and nutritious to the end user. Health Canada maintains a list of those foods, plants, feeds, such foods that have submitted applications and have been approved at:

Approved GM products
http://www.hc-sc.gc.ca/fn-an/gmf-agm/appro/index-eng.php

- **Pre-Market Notification for Novel Foods**

To obtain approval for GM food products not on the approved list, companies must submit scientific data and safety assessment data to Health Canada and those novel feeds and plants are to be submitted to the CFIA. Guidelines for the pre-submissions can be found at:

Guidelines for the Safety Assessment of Novel Foods:
http://www.hc-sc.gc.ca/fn-an/legislation/guide-ld/nf-an/guidelines-lignesdirectrices-eng.php

Submissions for **Foods** are reviewed at:

Submission Management and Information Unit
Food Directorate, Health Products and Food Branch,
Health Canada
Sir Frederick G. Banting Research Centre, Room E224
251, Sir Frederick Banting Driveway
Tunney's Pasture, PL 2202E
Ottawa, Ontario K1A 0K9
Phone: (613) 960-0552 Fax: (613) 946-4590
Email: smiu-ugdi@hc-sc.gc.ca

Pre-submission consultation procedures for Novel Feeds and Plants with novel Traits:
http://www.inspection.gc.ca/plants/plants-with-novel-traits/applicants/pre-submission-consultation/eng/1368394145255/1368394206548

Feed and plant submissions are reviewed at:

Canadian Food Inspection Agency
Animal Feed Division and Plant Biosafety Office
59 Camelot Drive
Ottawa, Ontario K1A 0Y9
Fax: (613) 228-6614 or (613) 228-6140
Email: presubmissionconsultations@inspection.gc.ca

Fish and Seafood

Act: **http://laws-lois.justice.gc.ca/eng/acts/F-12/**
Regulations: http://laws-lois.justice.gc.ca/eng/regulations/C.R.C.,_c._802/

Fish and fish products are subject to the *Fish Inspection Act and Regulations*, which contain requirements for wholesomeness, labeling, packaging, grading, and health and safety.

There is no requirement under those regulations for imported fish products to be accompanied by a health certificate. However, the person who imports fish into Canada must hold a fish import license and must provide written notification to the Canadian Food Inspection Agency (CFIA) for each imported shipment of fish and must make the fish available for inspection. Product inspections are conducted at frequencies that depend on the product's risk and the trader's history of compliance. The normal inspection frequency for fresh fish such as wild caught salmon from an exporter with a good history of compliance would be 2 percent. More information regarding the requirements to import fish into Canada can be found on the CFIA web site under the *Regulation of Imported Fish and Seafood Products in Canada:* http://www.inspection.gc.ca/english/fssa/fispoi/import/inspe.shtml

Baby Foods

http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/infant-foods-infant-formula-and-human-milk/eng/1393069958870/1393070130128?chap=1
Foods intended for children under two maintain specific requirements as it pertains to additives, nutrition labeling, Nutrition Facts table information and, nutrient content claims. The Food and Drug Regulations (table 1 of section B.25.002) outline maximum levels of sodium allowed in infant foods and restrict certain additives, such as lecithin that may be found in certain cereals. Processors are urged to review page 605 and search under the word *infant* under the regulations at:
http://laws-lois.justice.gc.ca/PDF/C.R.C.,_c._870.pdf

Organic Foods

The import and sale of organic food products in Canada are governed by the same rules and regulations that apply to non-organic food products. No distinction is made between organic and non-organic foods with regard to import requirements. Currently, all Canadian packaging and labeling, grade, and inspection regulations apply equally to organic and non-organic foods.

All products claiming to be organic are governed by the Organic Products Regulations and must be certified and accredited by a CFIA designated conformity verification body. To review the regulations go to: http://laws-lois.justice.gc.ca/eng/regulations/SOR-2009-176/

- **Enforcement Date of Regulations**

Federal regulations for organic products – the Organic Products Regulations – came into full force on June 30, 2009. On this date, organic products marketed in or imported into Canada must be certified by a certification body accredited by the Canadian Food Inspection Agency (CFIA). The National Standard for Organic Agriculture sets out the permitted and prohibited practices. These can be downloaded through the Public Works and Government Services of Canada in section III of the General Principals and Management Standards, titled:

> *General Principles and Management Standards; III. Organic Practices*
> http://www.tpsgc-pwgsc.gc.ca/ongc-cgsb/programme-program/normes-standards/internet/bio-org/principes-principles-eng.html

- **Organic Equivalency Agreement**

On June 17, 2009, the United States and Canada jointly announced an organics equivalency agreement, the first one of its kind. The equivalency agreement follows a review by both nations of the other's organic certification program and a determination that products meeting the standard in the United States can be sold as organic in Canada, and vice versa.
Under a determination of equivalence, producers and processors that are certified to the National Organic Program (NOP) standards by a U.S. Department of Agriculture accredited certifying agent do not have to become separately certified to the Canada Organic Product Regulation (COPR) standards in order for their products to be represented as organic in Canada. Likewise, Canadian organic products certified to COPR standards may be sold or labeled in the United States as organically produced. Both the USDA Organic seal and the Canada Organic Biologique logo may be used on certified products from both countries. An overview of the agreement can be accessed below:

> *Overview of the Canada – US Organic Equivalence Arrangement*
> http://www.inspection.gc.ca/food/organic-products/equivalence-arrangements/us-overview/eng/1328068925158/1328069012553

Pet Food

- **Animal Health Requirements Related to Pet Food**

CFIA regulates pet food imports and related products to prevent animal diseases from being introduced into Canada under the *Health of Animals Regulations*. Exporters are urged to review all regulations at:

Import Policies - Pet Food http://www.inspection.gc.ca/english/anima/petfaani/petfaanie.shtml

As of September 1st, all U.S. origin, heat-processed, shelf stable pet foods, treats and compound chews containing meat product must be accompanied with an export certificate issued by the Animal and Plant Health Inspection Service.

All U.S. pet food exporters must meet three critical provisions.

First, products must be Specified Risk Material (SRM) free. Information on SRM as it pertains to pet foods is located at: http://www.inspection.gc.ca/plants/fertilizers/registration-requirements/srm/eng/1320613799112/1320615608072

Canada requires import permits, facility inspections and health certificates by the U.S. Animal and Plant Health Inspection Service (APHIS) for products with bovine ingredients. This provision will be enforced.

Second, facilities exporting pet food with bovine ingredients must either be dedicated or have a dedicated line. A dedicated line reinforces the fact that the product must be SRM-free.

Third, facilities exporting only non-bovine based pet food, are allowed to use a U.S. Food and Drug Administration (FDA) approved flushing and separation protocol to prevent product contamination.

The Canadian Food Inspection Agency issued the following directive in 2006 regarding imports of pet foods and chews that include products of ruminant origin.

1. **Cooked canned commercially prepared pet food containing animal by-products** (bone meal, meat meal, blood meal, rendered animal fats, glue stock, meat, and inedible meat):
   From the United States: Proof of origin acceptable to the Canadian Border Services Agency (CBSA), a copy of the list of ingredients, and a written declaration from the importer (dated, signed, and linked to the shipment being imported) stating that (1) there are no ingredients derived from bovine animals in the pet food, or (2) the bovine ingredients in the pet food are not derived from Specified Risk Material (SRM), or (3) the bovine animals from which the pet food ingredients are derived originated from the United
   States or Canada or a country considered to be of negligible BSE-risk by the CFIA (Argentina, Australia, Brazil, Chile, New Zealand or Uruguay).

   For pet food containing ingredients of **ruminant (bovine, ovine or caprine)** origin, the designated country must be free of foot-and mouth disease (FMD) and of negligible risk (category 1) for bovine spongiform encephalopathy (BSE). **Dried pet chews such as cattle ears, bull pizzles and cow hooves must come from countries free from foot-and-mouth disease only (**BSE **is not a disease of concern for these last products).**

2. **Rawhide Pet Chews: From the United States:** Proof of origin acceptable to CBSA, and a written declaration from the importer (dated, signed, and linked to the shipment being imported) stating that the finished product does not contain any hides or skins from the head of a ruminant. **For finished rawhide pet chews, there are no diseases of concern.**

If the pet food contains ingredients of **porcine** origin, designated country must be free of foot-and-mouth disease, swine vesicular disease, African swine fever, and classical swine fever (hog cholera).

If the pet food that contains ingredients of **avian** origin, the designated country must be free from Velogenic Newcastle disease and pathogenic avian influenza (fowl plague).

Livestock Feeds

Using the authority of the federal Feeds Act, the Canadian Food Inspection Agency (CFIA) administers a national livestock feed program to regulate domestic and imported livestock feeds. The program is delivered by means of pre-sale product evaluation and registration by staff of the Feed Section, and post-market inspection and monitoring by Agency field staff located in all provinces of Canada. As an initial step, U.S. livestock feed exporters must apply to have the feed registered in Canada. They must also retain an agent who is resident in Canada and has the legal authority to act on their behalf. For more information on how to meet requirements for livestock feeds in Canada and the online forms for product registration and resident agent, go to:
http://www.inspection.gc.ca/english/anima/feebet/feebete.shtml

Wine, Beer and Other Alcoholic Beverages

The federal Importation of Intoxicating Liquors Act gives the provinces and territories full control over the importation of intoxicating liquor into their jurisdictions. Provincial liquor commissions control the sale of alcoholic beverages in Canada and the market structure can vary considerably from province to province. Alcoholic beverages can only be imported through the liquor commissions in the province where the product will be consumed. In general terms, U.S. exporters are required to have their products "listed" by the provincial liquor control agency. In many provinces, U.S. exporters must have a registered agent who provides the necessary marketing support within the province to obtain a provincial liquor board listing. As an initial step, U.S. exporters should contact the provincial liquor board in the target market for a listing of registered agents.

Provincial Liquor Commissions:

- Alberta Gaming and Liquor Commission – http://www.aglc.ca
- British Columbia Liquor Distribution Branch – http://www.bcliquorstores.com
- Liquor Control Board of Ontario – http://www.lcbo.com
- Manitoba Liquor Control Commission – http://www.liquormartsonline.com
- New Brunswick Liquor Corporation – http://www.anbl.com
- Newfoundland Liquor Corporation – http://www.nlliquor.com
- Northwest Territories Liquor Commission - http://www.fin.gov.nt.ca/liquor-fund/index.htm
- Nova Scotia Liquor Corporation - http://www.mynslc.com/
- Prince Edward Island Liquor Control Commission - http://www.peilcc.ca

- Saskatchewan Liquor and Gaming Authority – http://www.slga.gov.sk.ca
- Société des alcools du Québec – http://www.saq.com
- Yukon Liquor Corporation Board – http://www.ylc.yk.ca

Canadian packaging and labeling requirements for wine and beer are administered under Canada's *Food and Drug Regulations* and the *Consumer Packaging and Labeling Regulations*. In addition to the general packaging and labeling requirements for most foods, the regulations for alcoholic beverages include common names and standardized container rules. For example, light beer in Canada is defined by regulation as beer with a percentage alcohol of 1.0 to 4.0, by volume. Wine container sizes are standardized and metric. The most common containers for wine are 750 milliliters or 1, 1.5 and 2 liters. The province of Quebec has additional requirements to alcoholic beverage labeling that requires the label to be in French and English. Additional information can be found at:

Chapter 10, Labelling of Alcoholic Beverages
http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/alcohol/eng/1392909001375/1392909133296

Vitamins, Minerals, Probiotics, and Supplements

FAS Canada provides export assistance to U.S. firms that process vitamins and supplements that are derived from at least 50 percent U.S. agricultural sources. Natural products as vitamins, minerals, and supplements are deemed as drugs and are regulated by Health Canada. They are classified as Natural Health Products (NHPs) and are subject to the Natural Health Products Regulations. Authorized NHPs bear an eight digit product license number preceded by the distinct letter NPN (Natural Product Number). **To legally sell NHPs, all importers and distributors must acquire a site license, particularly if they intend to warehouse the product in Canada. To obtain this license, the Canadian business must demonstrate they have met Good Manufacturing Practices (GMPs**). For this reason, most U.S. exporters do not sell directly into the Canadian market and prefer working with a Canadian partner. GMPs ensure the identity, strength, and quality of the product by putting in place good operational practices, such as manufacturing, storage, handling and distribution practices. Health Canada provides various links to assist manufacturers and their Canadian importers at:

Guidance Documents for Natural Health Products
http://www.hc-sc.gc.ca/dhp-mps/prodnatur/legislation/docs/index-eng.php
Good Manufacturing Practices and Site Licensing Requirements
http://www.hc-sc.gc.ca/dhp-mps/prodnatur/applications/licen-site-exploit/form/index-eng.php

- **Veterinary Vitamins and Supplements**

All veterinary health products deemed as natural products are considered drugs by the **Veterinary Drug Directorate** of **Health Canada** and must be approved a market authorization before they are sold in Canada. New veterinary drugs are reviewed and must satisfy all scientific requirements under the Veterinary Drug Evaluation. As with NHPs, proof of GMPs are required (please see the previous section on Vitamins, Minerals, Probiotics, and Supplements). All submissions are required to provide:

- Provide details of manufacturing and quality control as well as results of toxicity, pharmacology, residue and clinical studies.
- Furnish substantial evidence to support the product's quality, safety, and efficacy.
- Prove that the proposed labels for the new drug reflect the data submitted and specify adequate directions for use, including withdrawal periods for drugs used in food producing animals.

Once approved, the manufacturer will receive a *Notice of Compliance* and a valid *Drug Identification Number (DIN)*. This DIN number is to be printed on the label and adhered to the bottle. To submit applications please go to:

Veterinary Drug Submission Fee Application Form
http://www.hc-sc.gc.ca/dhp-mps/vet/applic-demande/form/vdsfa-cepmv-eng.php

Health Canada is currently conducting a pilot project to ease the registration process of low risk health veterinary supplements (LRVHPs). This program is limited to natural health products sold for dogs, cats, and horses only (natural pet / veterinary foods do not qualify).

The Canadian company, North American Compendiums has been appointed by Health Canada to assist manufacturers. There is a fee for this service. To learn more about the program go to:

For more information go to:

Interim Notification Pilot Program for Low Risk Veterinary Health Products
http://www.hc-sc.gc.ca/dhp-mps/vet/issues-enjeux/notification-declaration-faq-eng.php

Low Risk Veterinary Health Product Notification Program is being managed by:
North American Compendiums - http://naccvp.com/

F) Safe Food for Canadians Act (SFCA) – Expected to be introduced end of 2017

Under the current food regulatory regime in Canada there are various sets of food regulations. An example of these circumstances, were exemplified on page 44 of this report under the CFIA Test Marketing Authorizations. It was noted "food processors are to review regulations under the Processed Products Regulations and those under the Food and Drug Regulations." To avoid confusions and ensure food safety for all Canadians, the Canadian government is moving to harmonize various regulations and remove duplications under one single framework that will be recognized as the *Safe Food for Canadian Regulations (SFCR).* Under this single set of regulations framework - SFCR, importers and their principals will be expected to have a Preventative Control Plan in place that describes what measures have been taken to secure the food is safe and meets all Canadian requirements.

The aim of the new set of regulations is to reflect internationally recognized standards and management based requirements, including HACCP principles and good manufacturing practices.

The proposed regulatory framework would further:

- focus on prevention and enable regulated parties to rapidly mitigate emerging food safety risks;

- confirm industry responsibility and accountability for preparing safe food;
- enable the CFIA to apply a consistent science and risk-based approach to inspection;
- apply consistent approaches to procedural elements of the regulations (e.g. seizure and detention, applications for Ministerial Exemptions, use of inspection marks); and,
- address non-food safety requirements in a more consistent manner.

To obtain an overview of these proposed changes by reviewing the following link:

Safe Food for Canadians Act

http://www.inspection.gc.ca/about-the-cfia/acts-and-regulations/regulatory-initiatives/sfca/eng/1338796071420/1338796152395

Progress on Canada's consolidation of Food Regulations
http://www.inspection.gc.ca/DAM/DAM-aboutcfia-sujetacia/STAGING/text-texte/regs_safe_food_regulations_cnsldtn_foodregs_1427726282343_eng.pdf

Of key importance, the Food and Drug Administration (FDA) in the U.S. is currently modifying their food safety laws as well. Due to the significant trade relationship between Canada and the U.S., both governments are working together to align certain food regulations and laws where it is mutually beneficial in both jurisdictions. This joint effort will help in facilitating trade between Canada and the U.S.

Proposed Import Licensing

One of the major policy changes that CFIA wants to bring about with this new Act is the introduction of mandatory licensing requirements of all importers working with food products. Currently, under existing regulations, only a very limited number of products require importers to be registered or licensed.

CFIA argues that import licensing will strengthen the safety of imported food items by holding importers accountable. In addition, CFIA will also have the power to attach conditions to import licensing, for instance the implementation of a preventive food safety system, or the implementation of food recall protocols, or residency.

Importers and U.S. exporters with non-resident importer (NRI) status that are the 'importer of record' will be able to apply for CFIA license. Those products exempted from licensing are beverages less then 0.5% alcohol, food additives, and certain bulk foods destined for further processing.

U.S. exporters are encouraged to review the proposed imported food product regulations to ensure they are compliant and their potential Canadian partners are well informed of these changes so as not to impede future transactions.

A Guide to Identifying Food Products Affected by the Proposed Imported Food Sector Product Regulations

http://www.inspection.gc.ca/food/non-federally-registered/imports/proposed-regulations/guide/eng/1334784241708/1334784551831

APPENDIX I. Statistics

Table A. Key Trade and Demographics

Agricultural Imports/from All Countries/2015/U.S. Market Share [1]	$35 billion/ 61 percent
Consumer Food Imports/from All Countries/2015/U.S. Market Share [1]	$25.7 billion/ 64 percent
Total Population, July 2015 [2] Canada's three major urban centers [2] • Toronto • Montreal • Vancouver	36.2 million 6.1 million 4.1 million 2.5 million
Urban Population / Rural Population / Percent Urban/2011 [2]	27.1 mil./6.3mil/ 81 percent urban/ 19 percent rural
Number of Metropolitan Areas Over 100,000 [2]	33
Per Capita Gross Domestic Product (U.S. dollars), per capita; 2015 3/estimate	$45,600
Unemployment Rate (October 2016)[1]	7 percent
Average Household Spending on food and drink, retail/foodservice, 2014; (U.S. dollars) [4/]	$612 monthly/ $7,343 annually • $5,324/Retail • $2,091/Foodservice
Total Employment / Full & Part Time; November 2015 [5]	17.9 million
Exchange Rate, average annual 2015 [6] Exchange Rate, average rate between January to October 31 of 2016 6/estimate	$1USD = $1.28 CAD $1USD = $1.32 CAD

Footnotes:
[1]/Global Trade Atlas
[2]/Statistics Canada
[3]/ CIA World Factbook/October 2016
[4]/ 2011 Survey of Household Spending Statistics Canada/based on 19.5 million households
[5]/ Canada: Economic and Financial Data, Statistics Canada
[6]/ Bank of Canada and http://www.usforex.com/

Table B. Consumer Food & Edible Product Imports into Canada

	Imports from the World			Imports from the U.S.			U.S. Market Share among all world imports		
	2013	**2014**	**2015**	**2013**	**2014**	**2015**	**2013**	**2014**	**2015**
Consumer – Oriented Agricultural	25.6	26.2	25.7	16.4	16.8	16.4	64 percent	64 percent	64 percent
Fish & Seafood	2.6	2.7	2.5	0.9	0.9	0.9	35 percent	34 percent	36 percent
Total Agricultural	34.8	36.3	34.7	21.5	22.2	21.2	61 percent	61 percent	61 percent
Agricultural, Fish & Forestry	38.7	40.0	41.4	23.3	24.1	24.8	60 percent	60 percent	60 percent
Source: Estimates derived from Global Trade Atlas are in $US billion									

Table C. Top 10 Suppliers of Consumer Foods & Edible Fishery Products

Consumer-Oriented Agricultural Imports into Canada			
$US billion	**2013**	**2014**	**2015**
World	**25.6**	**26.2**	**25.7**
United States	**16.4**	**16.8**	**16.5**
U.S. market share	***64 percent***	***64 percent***	***64 percent***
Mexico	1.36	1.49	1.52
Italy	0.74	0.72	0.69
France	0.67	0.62	0.56
China	0.53	0.53	0.52
Australia	0.39	0.47	0.47
Chile	0.53	0.46	0.44
New Zealand	0.28	0.32	0.35
Spain	0.22	0.28	0.27
Germany	0.31	0.30	0.24

All other countries	4.17	4.23	4.14

Source: Estimates derived from Global Trade Atlas are in $US billion

Fish and Seafood Product Imports into Canada			
$US billion	**2013**	**2014**	**2015**
World	**2.60**	**2.73**	**2.45**
United States	**0.91**	**0.91**	**0.89**
U.S. market share	***35 percent***	***34 percent***	***36 percent***
China	0.38	0.41	0.35
Thailand	0.34	0.30	0.27
Vietnam	0.17	0.24	0.20
India	0.11	0.15	0.12
Chile	0.13	0.15	0.11
Norway	0.07	0.10	0.08
Indonesia	0.03	0.04	0.04
Japan	0.02	0.03	0.03
Russia	0.07	0.02	0.02
All other countries	0.37	0.50	0.34

Source: Estimates derived from Global Trade Atlas are in $US billion

Total Agricultural Product Imports into Canada			
$US billion	**2013**	**2014**	**2015**
World	**34.8**	**36.3**	**34.7**
United States	**21.6**	**22.3**	**21.2**
U.S. market share	***62 percent***	***62 percent***	***61 percent***
Mexico	1.50	1.65	1.65
Italy	0.92	0.91	0.85
China	0.72	0.74	0.76
France	0.88	0.82	0.75
Brazil	0.76	0.79	0.65
Australia	0.43	0.50	0.50
Chile	0.61	0.53	0.50
United Kingdom	0.47	0.45	0.43
New Zealand	0.34	0.40	0.40
All other countries	6.57	7.21	7.01

Source: Estimates derived from Global Trade Atlas are in $US billion

Total Agricultural, Fish, and Forestry

Product Imports into Canada			
$US billion	**2013**	**2014**	**2015**
World	**40.0**	**41.4**	**39.3**
United States	**24.1**	**24.8**	**23.5**
U.S. market share	***60 percent***	***60 percent***	***60 percent***
China	1.78	1.81	1.70
Mexico	1.46	1.62	1.62
Italy	0.90	0.90	0.84
Brazil	0.82	0.83	0.70
France	0.75	0.69	0.64
Chile	0.78	0.73	0.63
Thailand	0.74	0.68	0.63
Australia	0.43	0.51	0.51
India	0.42	0.51	0.51
All other countries	7.82	8.32	8.02
Source: Estimates derived from Global Trade Atlas are in $US billion			

Glossary of Acronyms

AIRS – Automated Import Reference System (part of CFIA)
ASSIST-Automated Shipment Inspection Status Search Tool (part of CFIA)
CAPA – Canada Agricultural Products Act
CBSA – Canadian Border Service Agency
CFIA – Canadian Food Inspection Agency
CCD – Cargo Control Document
CCG – Country Commercial Guides
CRA – Canadian Revenue Agency
CPLA – Consumer Packaging Labelling Act
EDI – Electronic Data Interchange
FAS- Foreign Agricultural Service (Division of USDA)
FBL – Foreign Buyers List FAS- Foreign Agricultural Service (Division of USDA)
FDR – Food Drug Regulations
FFNHP – Functional Foods and Natural Health Products
GST- Goods and Services Tax (federal)
GMP – Good Manufacturing Practices
HC – Health Canada
HST – Harmonized Sales Tax (federal and provincial)
ISC – Import Service Centre
LRHVS's - Low Risk Health Veterinary Supplements
LPAD – Labelling and Program Delivery Staff (LPDS)
LSAS- Labelling Submission and Approval System (LSAS)
MA – Market Authorization
MAP – Market Access Program (USDA)
MFN – Most Favored Nation
MRL – Maximum Residue Levels
NAFTA – North American Free Trade Agreement
NASDA – National Association of State Departments of Agriculture
NHP – Natural Health Products
NRI – Non- Resident Importer
NPN – Natural Product Number
PMRA – Pest Management Regulatory Agency
PPR- Processed Product Regulations
SFCA – Safe Food for Canadians Act
SRTG-State Regional Trade Group
TMA- Temporary Marketing Authorization
TMAL – Temporary Marketing Authorization Letter
TLS- Trade Lead System (of the Foreign Agricultural Service)
TRQ- Tariff Rate Quota
USCS – United States Commercial Service
USDA – United States Department of Agriculture
USEAC – United States Export Assistance Centers
WTO – World Trade Organization

Summary of Key Resources

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Centre for Science in the Public Interest (CSPI)
CIA World Fact Book (2015)
Department of Justice (Canada) (2016)
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Global Trade Atlas (2006-2016)
Grocery Business (2016)
Market Analysis and Research, International Trade Centre
Nielsen Freshtrack. (2015)
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United States Census Bureau (2016)