

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Canada

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### **This Week in Canadian Agriculture - Issue 22**

**Report Categories:**

Agriculture in the News

**Approved By:**

Robin Gray

**Prepared By:**

Mihai Lupescu

**Report Highlights:**

Reminder: New HS Codes from January 1, 2012 \* Health Claim: Psyllium and Blood Cholesterol Lowering \* New Market Access for Live Cattle to the United Arab Emirates \* Implementing Legislation for Jordan and Panama FTAs

This Week in Canadian Agriculture is a review of Canadian agricultural industry developments of interest to the U.S. agricultural community. The issues summarized in this report cover a wide range of subject matter obtained from Canadian press reports, government press releases, and host country agricultural officials and representatives.

*Disclaimer:* Any press article summaries in this report are included to bring U.S. readership closer to the pulse of Canadian developments in agriculture. In no way do the views and opinions of these sources reflect USDA's, the U.S. Embassy's, or any other U.S. Government agency's point of view or official policy.

### **Reminder: New HS Codes from January 1, 2012**

This is a reminder that as of January 1, 2012, updated HS codes, as drafted by the World Customs Organization (WCO) will be implemented. These updates will affect the Canadian Food Inspection Agency (CFIA) Automated Import Reference System (AIRS) coding structure, and Canada Border Services Agency (CBSA) Tariff codes. The AIRS system will incorporate the new coding structure on January 1.

Information on changes to the HS codes can be found on the WCO web site at:

[http://www.wcoomd.org/files/1.%20Public%20files/PDFandDocuments/HarmonizedSystem/tools\\_instruments/HS\\_Correlation\\_Tables\\_Introduction.pdf](http://www.wcoomd.org/files/1.%20Public%20files/PDFandDocuments/HarmonizedSystem/tools_instruments/HS_Correlation_Tables_Introduction.pdf)

Information on HS codes and the CBSA tariff structure may be found on the CBSA site at:

<http://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/menu-eng.html>

### **Health Claim: Psyllium and Blood Cholesterol Lowering**

Health Canada has recently approved the use of the health claim regarding the relationship between psyllium fiber and the reduced risk of heart disease by lowering blood cholesterol levels. The psyllium health claim had been approved in the U.S. by FDA in 1998. The claim is of importance given that 44% of the Canadian population is either hyperlipidemic or maintain mildly elevated blood cholesterol levels. Food manufacturers can use the claims prior to the required amendments to the Canadian Food and Drug Regulations provided the products are in compliance with the conditions and the statements are stated on the labels in accordance with the requirements of the Food Directorate of Health Canada. These regulations can be found at: <http://www.hc-sc.gc.ca/fn-an/label-etiquet/claims-reclam/assess-evalu/index-eng.php>

Currently, there are a limited number of psyllium-containing products in the Canadian marketplace. This could make it difficult for the daily amount of 7 grams to be achieved from a combination of products with amounts of psyllium husk less than 3.5 grams while maintaining a nutritious, well-balanced diet. Health Canada announced it will be monitoring its usage and collecting data, in order to determine the amount of psyllium required to obtain the desired effect. Depending on the outcome of this monitoring, Health Canada may need to revisit the conditions for foods carrying psyllium soluble fiber claims to ensure that consumption is at the lowest observed efficacious daily intake in the context of a healthy eating patterns.

### **New Market Access for Live Cattle to the United Arab Emirates**

The federal government has reached a new agreement on an export certificate with the United Arab Emirates (UAE) for Canadian exporters of live cattle who will benefit from access to the UAE market. Industry estimates that the market could provide up to C\$40 million in sales. The agreement reopens a market that has been closed since a case of BSE was discovered in Canada in 2003. The UAE is part of a regional trading block called the Gulf Cooperation Council (GCC), which includes Bahrain, Kuwait, Oman, Qatar and Saudi Arabia. The GCC is a priority market under Canada's Global Commerce Strategy, representing the fifth largest export destination for Canadian agri-food products. Canadian agri-food exports to the GCC surpassed C\$835 million in 2010.

### **Implementing Legislation for Jordan and Panama FTAs**

In November, the federal government introduced in the Parliament the Canada-Jordan Economic Growth and Prosperity Act and the Canada-Panama Economic Growth and Prosperity Act to implement the free trade agreements (FTAs) with Jordan and Panama which were signed in June 2009 and May 2010 respectively. Once passed by the House of Commons and the Senate, both pieces of legislation must receive Royal Assent from the Governor General in order to become law. On implementation, the FTA with Jordan will eliminate tariffs on the vast majority of Canadian exports to Jordan. Key sectors in Canada that will benefit from this immediate duty-free access to the Jordanian market include forestry and manufacturing, as well as agricultural products and agri-foods such as pulses, frozen potato products and beef. Implementation of the Canada-Panama FTA will eliminate tariffs on over 99 percent of Canadian non-agriculture exports. Other benefits of the agreement include investment provisions, which will increase protection, transparency and security for Canadian investors in Panama. In addition, the agreement will secure access to the government procurement market, including the C\$5.4 billion expansion of the Panama Canal and other infrastructure projects.

**Exchange Rate:** Noon rate, December 23, 2011 (Bank of Canada): U.S. Dollar = C\$1.0208

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| CA11067         | Marketing Freedoms for Grain Farmers Act Becomes Law                        | 12/19/2011            |
| CA11065         | Exporter Guide  | 12/06/2011            |
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