



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 8/27/2001

GAIN Report #CA1117

## Canada

### Biotechnology

## Canadian Biotech Foods Labeling Update

### 2001

Approved by:

**Norval E. Francis, Jr.**

**U.S. Embassy**

Prepared by:

Lonzel "Bud" Locklear, Economic Section, Department of State, U.S. Embassy, Ottawa

---

#### **Report Highlights:**

The nearly two-year-old Canadian effort to develop voluntary labeling guidelines for food derived from biotechnology has produced a draft standard. The document, however, is contentious and there is a concern by some observers that the lack of consensus will result in the process being aborted. On the other hand, an influential report to the Government of Canada on improving the "regulation of genetically modified food" strongly counsels Canada to support the voluntary standard development process. The draft guidelines are seen as a bulwark against pressure to adopt mandatory-labeling requirements. Indeed, a bill that would institute mandatory labeling of biotech foods is before parliament (Bill C-287) and will be subject to debate and a vote in early October. The status of the voluntary standard will play an important role in how the vote proceeds.

---

Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Ottawa [CA1], CA

## **CANADIAN BIOTECH FOODS LABELING UPDATE**

### **No Consensus on Draft Standard**

The development of a Canadian voluntary standard for biotech foods commenced in autumn 1999 under the auspices of the Canadian General Standards Board (CGSB) and the Canadian Council of Grocery Distributors (CCGD) via a working group comprising representatives from consumer groups, food and agriculture companies, producers (i.e., farmers), and government regulators. The budget for the process, from the Government of Canada's (GoC) Department of Agriculture, was exhausted in spring of 2001, nevertheless the group has continued to meet in an effort to conclude the process with money provided by the Food and Consumer Products Manufacturers of Canada (FCPMC) and Consumer's Union of Canada.

The process has yielded a draft standard "for voluntary claims about foods that are and are not products of gene technology" which has been circulating for comment among participants in the process since mid-July and was made public on August 17 (the general public has until October 17 to provide comment). Despite about 24 months of effort on this project, the draft contains significant amounts of bracketed text, not a good sign that the process will yield the necessary consensus standard.

Debate within the process is focused on the proposed 5 percent acceptable tolerance level for negative claims; the use of the term products of "gene technology" rather than "biotechnology", or other more well established terminology; whether mutagenesis will be included in the standard as a form of "gene technology"; and whether there should be positive labeling guidelines as well as negative labeling guidelines. Knowledgeable observers of the process have told us that the current draft has not been well received by the stakeholders and that, in their opinion, there is little chance for a consensus being developed around this document.

Nevertheless, the chairperson and members of the draft standard working group will sift through stakeholder comments and incorporate these into the draft standard. This process is to conclude by September 17 when a vote will take place on whether the standard is acceptable to the stakeholders. If so, it will be forwarded to the Standards Council of Canada for review and then approval as a national standard of Canada. If no agreement can be produced among the stakeholders the Chairperson of the CGSB-CCGD would tell the GoC that they could not produce a consensus document and the whole effort will conclude without a standard.

United States Government (USG) comments on the draft standard are welcome (the FDA office of labeling has been provided with the draft standard via FAS), and the Canadian Department of Foreign Affairs and International trade (DFAIT) will be submitting the draft standard to WTO for review by WTO member states. There appears to be a problem, however with the timing of the comment period. As noted above, the vote to determine consensus on the revised draft standard is scheduled for mid-September whereas the public comment period does not close until mid-October which forces the question why bother with public comment if the standard development process will already have been concluded?

### **Heightened Prospects for Mandatory Labeling If Process Fails?**

Over the course of the past two years the GoC has pointed to the CGSB-CCGD process to disarm critics when the issue of labeling biotech foods has been raised. If the CGSB-CCGB process fails to produce a standard, this political safety valve will no longer function and the GoC may perceive greater pressure to “do something” – which some in the biotech industry fear will lead to increased support for a mandatory labeling scheme such as Charles Caccia’s mandatory labeling bill C-287 (see GAIN reports CA1071 and CA1081).

On the other hand both the Minister of Agriculture, Lyle Vanclief and the Minister of Natural Resources, Ralph Goodale, went on record in their opposition to the Caccia bill during the Liberal Party’s national caucus meeting on August 22.

Further mitigating the Caccia bill threat is advice provided on August 23 to the GoC's "Biotechnology Ministerial Coordinating Committee" (which includes the ministers of Agriculture, Health, International Trade, Industry, Natural Resources, Fisheries and Oceans, and Environment) from the Canadian Biotechnology Advisory Committee (CBAC). The CBAC advises that the GoC consider a mandatory labeling scheme only after a voluntary system has been tried, and proven ineffective. And to this end recommends the GoC put more effort into the development of a voluntary standard such as via the CGSB-CCGD process.

From discussions with GoC, post expects that the GoC will very likely make a renewed commitment to the development of a voluntary standard either via the current CGSB-CCGD process or by initiating a new one. (post was told that the GoC’s lack of funding for the voluntary process since March 2001 was due not to disinterest in the activity but rather to administrative constraints that forced the Department of Agriculture to curtail all extracurricular funding due to a department-wide audit).

The CBAC report, (available at <http://www.cbac-cccb.ca/documents/GMenglish.pdf>) "Improving the Regulation of Genetically Modified Foods and other Novel Foods In Canada" is an interim set of recommendations on biotech regulations to the GoC which will be subject to public comment for the next six months.

### **Comments**

The statements opposing mandatory labeling from Ministers Vanclief and Goodale indicate that key cabinet members remain firmly set against mandatory labeling standards. These comments coupled with the CBAC recommendations to the GoC to more vigorously support development of the voluntary standard will, post anticipates, serve to mitigate the threat that Bill C-287 will gain unmanageable momentum.

### **Find Us on The Web:**

Visit our headquarter's home page at <http://www.fas.usda.gov> for a complete selection of FAS' worldwide agricultural reporting.

**Related Reports from FAS/Ottawa:**

<b>Report Number</b>	<b>Title of Report</b>	<b>Date</b>
CA1114	CGSB Releases Draft Standard For the Voluntary Labeling of Foods Derived from Biotechnology	8/17/2001
CA1083	Mandatory GM Labeling Misleading	6/14/2001
CA1081	GM Foods: Second Hour of Debate over Bill C-287	6/7/2001
CA1071	Codex GM Food Labeling: Discussion Put on Hold Until 2002	5/10/2001
CA1071	GMO Foods - First Debate over GM Labeling Bill	5/10/2001
CA1071	Canadian Position on GMO Labeling Unchanged	5/10/2001

Contact: FAS/Ottawa e-mail: [usagr@istar.ca](mailto:usagr@istar.ca)