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## Canada

### Exporter Guide

### Exporter Guide

### 2005

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**Report Highlights:**

A practical guide to help U.S. food exporters do business in the Canadian market.

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## SECTION I. MARKET OVERVIEW

Canada is the No. 1 market for U.S. agricultural exports. In FY2003, U.S. agricultural exports to Canada reached a record \$9.1 billion, registering an average annual growth rate of 5.0 percent over the last seven years. Agricultural exports to Canada accounted for 16% of total U.S. food and agricultural product exports of \$56.2 billion. Consumer-oriented agricultural products accounted for 70 percent of total U.S. food and agricultural product sales to Canada in FY2003, with fresh and processed fruits and vegetables, snack foods, and red meat products as the category leaders. American products account for more than two-thirds of total Canadian agricultural imports.

In FY2003, U.S. farm, fish and forestry exports to Canada reached \$11.5 billion, almost \$1.0 billion more than to Japan. Of total \$22.6 billion of U.S. exports of consumer-oriented agricultural products to the world, more than 28%, or \$6.4 billion was destined for Canada. Almost one in every five dollars of U.S. exports of fish and seafood went to Canada in FY2003. Total bilateral agricultural trade between the U.S. and Canada exceeded \$19.3 billion in FY2003, more than \$53 million per day. Two-way truck traffic alone exceeds 7,000 trucks/day, an average of almost one truck every other minute, 24 hours a day.

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. On December 4, 1998 the United States and Canada signed a Record of Understanding, an agreement to further open Canadian markets to U.S. farm and ranch products. Some tangible benefits of the agreement are already accruing to the U.S. agricultural industry.

<b>Canadian Market Overview Summary</b>	
<b>Advantages</b>	<b>Challenges</b>
Proximity	Low value of Canadian currency
Similar lifestyles and consumption trends	Differences in standard package sizes
Wide exposure to American culture	Differences in chemical residue tolerances
Frequent business and personal trips to U.S.	Differences in nutritional labeling
Duty free tariff treatment for most products under NAFTA	Bilingual (English & French) labeling
Ease of entry for business travel	Tariff rate quotas for certain products
Awareness and demand for product brands	
High U.S. quality and safety perceptions	
Similar food shopping patterns	

Trade with Canada is facilitated by proximity, common culture, language, similar lifestyle pursuits, and the ease of travel among citizens for business or pleasure. Many American products have gained an increased competitive edge over goods from other countries as the result of the FTA/NAFTA. Canada's grocery product and food service trades have been quick

to seize opportunities under FTA/NAFTA, which permit them to expand their geographical sourcing area to include the United States. Declining import duties under the trade agreements and an easing of Canadian packaging requirements for processed horticultural products for the food service market have resulted in significant gains in the Canadian market for U.S. consumer-ready foods and food service foods.

## **SECTION II. EXPORTER BUSINESS TIPS; SERVICES; FOOD REGULATION**

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

The AgExport Connections office of the Foreign Agricultural Service, United States Department of Agriculture provides programs, information, and services to U.S. exporters to aid in exporting U.S. food, farm and forest products to foreign markets. These programs include:

*Buyer Alert:* lets you target your advertising to foreign buyers, both on-line and in overseas newsletters.

*Trade Leads* offer up-to-date information on requests for bids, from potential buyers from around the world, and is available on-line and via e-mail.

*Foreign Buyers List* is a product- and country-specific listing of agricultural importers worldwide.

*U.S. Suppliers* puts your company's name and product listings in a database that foreign buyers access on-line or through USDA/FAS Overseas offices.

For more information on these services, contact:

AgExport Connections  
Ag Box 1052  
AGX/FAS/USDA  
Washington, DC 20250-1052  
Phone: (202) 690-3416  
Fax: (202) 690-4374  
Webpage: <http://www.fas.usda.gov/agexport/exporter.html>

#### State Departments of Agriculture

The state departments of agriculture and associated organizations also promote U.S. food and agricultural exports and are an additional valuable source of information. The National Association of State Departments of Agriculture (NASDA) represents all 50 State departments of agriculture and those from the trust 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: [www.nasda.org](http://www.nasda.org)

#### Department of Commerce District Offices

Before exporting, U.S. firms are also encouraged to contact the nearest U.S. Foreign and Commercial Service (USFCS) district office of the Commerce Department's International Trade Administration. The district offices can provide up-to-date information on required

export documentation and where to obtain required forms. Most Canadian forms are available from selected U.S. commercial printers. Each district office has a trade specialist who can provide assistance with export documentation. For a full listing of USFCS district offices, go to: <http://www.commerce.gov/statemap2.html>

The U.S. Commercial Service offers valuable assistance to help your business export goods and services to markets worldwide. From this site you can access a global listing of trade events, international market research, and practical tools to help with every step of the export process. Webpage: <http://export.gov/>

#### Country Commercial Guides

The Country Commercial Guides (CCG) are prepared by U.S. Embassy Staff annually and contain 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. Available at <http://export.gov>

### **B) Business Customs Import Procedures**

#### **Customs Brokers**

Some U.S. firms choose to obtain the services of a Canadian customs broker (a private company operating as a trade facilitator) to help them comply with Canadian import requirements and in some cases, market their product. Canada Border Services Agency (CBSA) licenses customs brokers to carry out customs-related responsibilities on behalf of their clients. A broker's services 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.

Clients have to pay a fee for these services, which the brokerage firm establishes.

Importers who do not wish to transact business with the CBSA directly may authorize an agent to transact business on their behalf. Although importers may use an agent to transact business 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 until either the importer or the agent pays them.

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  
111 York Street  
Ottawa, Ontario  
Canada K1N 5T4  
Telephone: (613) 562-3543  
Facsimile: (613) 562-3548  
Webpage: <http://www.cscb.ca>  
List of Members: <http://www.cscb.ca/directory/direct.htm>

After becoming familiar with the Canadian marketplace, some U.S. exporters take advantage of a special provision of Canada Customs rules that permits them to apply for Non-Resident Importer status. This enables them to control, sell, and distribute the product without intermediaries. One provision of the application for Non-Resident Importer is a requirement to make books and records available to Canadian Customs auditors and provide for their travel costs, if necessary, to their headquarters in the United States. For more information, contact the Canada Border Services Agency. The website is: <http://www.cbsa-asfc.gc.ca/menu-e.html>

### **Credit Checks**

Besides the well-known private credit service checks that may be available, the U.S. Department of Commerce's International Trade Administration offers a World Trade Data Report (WTDR) service designed to verify the credit worthiness of companies in Canada. U.S. companies seeking more information on the WTDR service should contact the closest USFCS district office in the United States. The USFCS also offers additional services to help U.S. exporters.

### **The Commercial Import Process**

In order to bring goods into Canada, importers must provide the proper documents to Canada Customs and Revenue Agency including:

- two copies of the cargo control document (CCD);
- two copies of the invoice;
- two copies of a completed Form B3, Canada Customs Coding Form;
- one copy Form A - Certificate of Origin (when necessary);
- 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; make sure that the goods are properly marked with their country of origin; pay any duties that apply.

### **Import Service Centers**

The Canadian Food Inspection Agency's Import Service Centers (ISC) process import request documentation/data sent electronically or by fax. Staff review the information and return the decision either electronically to Canada Border Services Agency, which then relays it to the client, or by fax directly to the broker/importer, who then submits the release package to CBSA. In addition, ISC staff handles telephone inquiries regarding import requirements for all commodities regulated by the CFIA and, when necessary, coordinate inspections for import shipments.

CFIA Import Service Centers Across Canada  
Eastern ISC

7:00 a.m. to 11:00 p.m.(local time)  
Telephone: 1-877-493-0468 (Canada/U.S.)  
1-514-493-0468 (all other countries)  
Fax: 1-514-493-4103

Central ISC  
Telephone: 1-800-835-4486 (inside Canada or U.S.)  
1-905-612-6285 (all other countries)  
Fax: 1-905-612-6280

Western ISC  
7:00 a.m. to 12:00 a.m.(local time)  
Telephone: 1-888-732-6222 (inside Canada or U.S.)  
1-604-666-7042 (all other countries)  
Fax: 1-604-270-9247  
EDI: 1-604-666-7073

### **Non-Resident Importers**

Non-Resident Importers are companies that import goods into Canada but which have addresses outside of Canada. These companies are required to have a Business Number (BN) and an import/export account registered with the Canadian Border Services Agency. For more information: <http://www.cbsa-asfc.gc.ca/import/registerintro-e.html>

### **Food Brokers**

For U.S. companies entering the Canadian market, it is important to find a Canadian food broker to help with the logistics of entering the country in addition to marketing products. For additional information, contact the Canadian Food Brokers Association for their Canadian Members' Directory. The website is [www.cfba-acca.ca](http://www.cfba-acca.ca)

## **C) Food Regulation**

### **Labeling Requirements**

#### **i). General Labeling Requirements**

The basic packaging and labeling requirements necessary for U.S. agricultural exports to Canada are:

- labels in English and French,
- net quantities in metric,
- list of ingredients,
- durable life date (if shelf life 90 days or less),
- common name of product,
- company name and address,
- minimum type size specifications,
- conformity to standardized package sizes stipulated in the regulations, and
- country of origin labeling.

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

### **The Guide to Food Labeling and Advertising in Canada**

The Canadian Food Inspection Agency has prepared a Guide to Food Labeling and Advertising that details the regulatory requirements for selling packaged foods in Canada. The CFIA Guide includes information on:

- Basic Labeling Requirements
- Advertising Requirements
- Claims as to the Composition, Quality, Quantity and Origin of Foods
- Nutrition Labeling
- Nutrient Content Claims
- Health-Related Claims
- Other Product Specific Requirements

The full guide is available on the CFIA website at:

<http://www.inspection.gc.ca/english/bureau/labeti/guide/guidee.shtml>

### **Enforcement**

The CFIA has the authority to refuse entry, detain, return, or remove from retail shelves any imported processed food product that does not meet the federal food labeling requirements.

#### ii). Label Review

The Canadian Food Inspection Agency consolidates federal food label review under its "Single Access Food Labeling Service". The labeling service, designed particularly for new entrants in the marketplace who are not familiar with the Canadian regulatory system, is provided at specified regional locations across Canada. These offices coordinate the requirements of the aforementioned federal departments to simplify product approval and label compliance. It is recommended that U.S. exporters submit their labels to the regional office closest to the targeted marketing area:

### **British Columbia**

Canadian Food Inspection Agency  
400-4321 Still Creek Avenue  
Burnaby, British Columbia V5C 6S7  
Tel. (604) 666-6513  
Fax (604) 666-1261

Canadian Food Inspection Agency  
1905 Kent Road  
Kelowna, British Columbia V1Y 7S6  
Tel. (250) 470-4884  
Fax (250) 470-4899

Canadian Food Inspection Agency  
103-4475 Viewmont Avenue  
Victoria, British Columbia V8Z 6L8  
Tel. (250) 363-3455  
Fax (250) 363-0336



**Alberta**

Canadian Food Inspection Agency  
7000 - 113 Street, Room 205  
Edmonton, Alberta T6H 5T6  
Tel. (780) 495-3333  
Fax (780) 495-3359

Canadian Food Inspection Agency  
110 Country Hills Landing NW, Suite 202  
Calgary, Alberta T3K 5P3  
Tel. (403) 292-4650  
Fax (403) 292-5692

**Saskatchewan**

Canadian Food Inspection Agency  
301-421 Downey Road  
Saskatoon, Saskatchewan S7N 4L8  
Tel. (306) 975-8904  
Fax: (306) 975-4339

**Manitoba**

Canadian Food Inspection Agency  
269 Main Street, Room 613  
Winnipeg, Manitoba R3C 1B2  
Tel. (204) 983-2220  
Fax (204) 983-6008

**Ontario**

Tel. 1-800-667-2657  
e-mail: [labelwindow@inspection.gc.ca](mailto:labelwindow@inspection.gc.ca)

Central Region:

Canadian Food Inspection Agency  
709 Main Street West  
Hamilton, Ontario L8S 1A2  
Tel. (905) 572-2201  
Fax (905) 572-2197

Northeast Region:

Canadian Food Inspection Agency  
38 Auriga Drive, Unit 8  
Ottawa, Ontario K2E 8A5  
Tel. (613) 274-7374  
Fax (613) 274-7380

## Toronto Region:

Canadian Food Inspection Agency  
1124 Finch Avenue West, Unit 2  
Downsview, Ontario M3J 2E2  
Tel. (416) 665-5055  
Fax (416) 665-5069  
Southwest Region:

Canadian Food Inspection Agency  
1200 Commissioners Road East, # 19  
London, Ontario N5Z 4R3  
Tel. (519) 691-1300  
Fax (519) 691-0148

**Quebec**

Canadian Food Inspection Agency  
25 des Forges Road, Suite 418  
Trois-Rivières, Québec G9A 6A7  
Tel. (819) 371-5207  
Fax (819) 371-5268

**Nova Scotia**

Canadian Food Inspection Agency  
P.O. Box 1060  
1992 Agency Drive  
Dartmouth, Nova Scotia B2Y 3Z7  
Tel. (902) 426-2110  
Fax (902) 426-4844

**New Brunswick**

Canadian Food Inspection Agency  
850 Lincoln Road  
P.O. Box 2222  
Fredericton, New Brunswick E3B 5G4  
Tel. (506) 452-4964  
Fax (506) 452-3923

**Prince Edward Island**

Canadian Food Inspection Agency  
690 University Avenue  
Charlottetown, Prince Edward Island C1E 1E3  
Tel. (902) 566-7290  
Fax (902) 566-7334

## Newfoundland

Canadian Food Inspection Agency  
Northwest Atlantic Fisheries Centre  
P.O. Box 5667  
St. John's, Newfoundland A1C 5X1  
Tel. (709) 772-5519  
Fax (709) 772-5100

## Labeling of Shipping Containers

Labels of shipping containers are exempt from bilingual labeling requirements. The outer container requires a product description, the name and address of the company and a net quantity declaration in either metric or Imperial measure. If the food in the inner container(s) is not for sale directly to consumers (i.e., 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.

## Nutrition Labeling

On January 2, 2003 Canada's Health Minister announced that Canada was adopting mandatory nutrition labeling. New regulations published January 1, 2003, in the *Canada Gazette*, Part II, make nutrition labeling mandatory on most food labels; update requirements for nutrient content claims; and permit, for the first time in Canada, diet-related health claims for foods. U.S. food products exported to Canada must meet the same labeling requirements as foods produced in Canada. U.S. food manufacturers will have the same transition time to comply with the new nutrition labeling requirements.

Industry has until December 12, 2005 to bring their food labels and advertisements into compliance with these new requirements. Smaller companies, those with revenues from sales of food in Canada of less than \$1 million between December 12, 2001 and December 11, 2002, have until December 12, 2007 to bring their labels into compliance. During the transition period, food labels and advertisements may comply with either the former *Regulations* or the new *Regulations*, but may not use a combination of the two systems. The use of a Nutrition Facts table on a label with a claim under the former *Regulations* is not permitted.

Certain foods and beverages are exempted from the new labeling requirements, for example, fresh fruit and vegetables and raw single ingredient meat and poultry that are not ground.

Further information and a downloadable copy of the Nutrition Labeling Regulations are available on the following Health Canada webpage:

[http://www.hc-sc.gc.ca/hpfb-dgpsa/onpp-bppn/labelling-etiquetage/index\\_e.html](http://www.hc-sc.gc.ca/hpfb-dgpsa/onpp-bppn/labelling-etiquetage/index_e.html)

## Tariffs and Tariff Rate Quotas (TRQs)

Effective January 1, 1998 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. The Canadian importer must be in possession of an import permit to import TRQ commodities.

The Department of Foreign Affairs and International Trade (Export and Import Controls Bureau) is responsible for administering Canada's Tariff Rate Quotas for Agricultural Products. For more information go to: <http://www.dfait-maeci.gc.ca/trade/eicb/agric/agric-en.asp>

Canada administers TRQs that affect exporters of the following U.S. agricultural commodities:

- Milk & Dairy Products
- Cheese
- Turkey
- Chicken
- Broiler Hatching Eggs & Chicks
- Eggs and Egg Products
- Margarine

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. Canada does impose some import restrictions on U.S. meat and meat products following the December 2003 detection of bovine spongiform encephalopathy (BSE) in Washington State. For more information, see the subsection Beef Export Verification on the next page.

### **Packaging and Container Regulations**

Canadian regulations governing package sizes for fruits and vegetables, processed horticultural products and processed meats stipulate standardized package sizes that can 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://www.inspection.gc.ca/english/reg/rege.shtml>

### **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 U.S. would comply with Canadian additive regulations, but differences can occur in the permissible levels and uses of food colorings and food preservatives. The food additive tables in Division 16 of the Regulations prescribe which additives may be used in foods sold in Canada, to which foods they may be added, for what purposes, and at what levels. Products containing non-permitted food additives may be refused entry into Canada. Canada's Food and Drugs Regulations are available on the Internet at:

[http://www.hc-sc.gc.ca/food-aliment/friia-raaii/food\\_drugs-aliments\\_drogues/act-loi/e\\_index.html](http://www.hc-sc.gc.ca/food-aliment/friia-raaii/food_drugs-aliments_drogues/act-loi/e_index.html)

Specific technical questions relating to Canada's Food and Drugs Regulations may be directed to:

Gary Trivett  
Manager, Technical Regulatory Information  
Bureau of Food Regulatory, International & Interagency Affairs  
Food Directorate  
Health Canada  
Building #7, Tunney's Pasture (PL 0702C1)  
Ottawa, ON K1A 0L2  
Tel (613) 957-1316  
Fax (613) 941-3537  
email: [gary\\_trivet@hc-sc.gc.ca](mailto:gary_trivet@hc-sc.gc.ca)

### **Pesticide and other Contaminants**

Some agricultural chemicals approved for use in the United States are not registered in Canada. As a result, these pesticides are deemed to have a zero tolerance in Canada and imported foods which contain unregistered pesticide residues above 0.1 parts per million 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.

Health Canada's Health Protection Branch sets maximum residue limits (MRL) for pesticides. A full listing of Canadian MRLs is available on the Pest Management Regulatory Agency's (PMRA) website at: <http://www.pmra-arla.gc.ca/english/aboutpmra/about-e.html>

The PMRA is also responsible for pesticide registration. The address is:

Pest Management Regulatory Agency  
Health Canada  
2250 Riverside Drive  
Ottawa, Ontario K1A 0K9  
Telephone: 613-736-3799

### **Other Regulations and Requirements**

#### **Inspection and Registration Fees**

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, where required. Canada claims its fee structure is consistent with WTO provisions for national treatment, in that the fees apply equally to Canadian and import sales.

## Beef Export Verification

Following the identification of a BSE-infected animal in Washington State, on December 23, 2003, the Canadian government introduced certain import restrictions on U.S. beef and live cattle. On January 22, 2004, and again on April 23, 2004, the restrictions were partially eased but many special entry requirements remain in effect. Only fresh/frozen meat and meat products of animals of the sub-family Bovinae (cattle buffalo, bison) derived from animals slaughtered in the United States that are less than 30 months of age, and are produced under an Agricultural Marketing Service (AMS) Beef Export Verification (BEV) program for Canada are eligible for entry. Dedicated veal slaughter and processing establishments are exempt from the AMS BEV program. Only eligible suppliers listed in the Official Listing may supply product identified as meeting the requirements of the applicable USDA BEV Program. Products produced using an approved Program are eligible to be issued a Food Safety Inspection Service (FSIS) Export certificate which includes the applicable statement as listed in the [FSIS Library of Export Requirements](#). For more information on the BEV program, go to: <http://www.ams.usda.gov/lsg/arc/bev.htm>

Processing plants that intend to export beef or beef products to Canada, with the exception of veal meat products, must participate in the AMS BEV program. This program includes the development of a document outlining the controls that the plant has incorporated to meet the program requirements including the use of dedicated tools in preparing product for export to Canada. For additional information consult the BEV website: <http://www.ams.usda.gov/lsg/arc/bev.htm>

## 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 and Poultry Inspection Regulations lists all the acceptable package sizes for processed meats. It can be viewed on the Department of Justice website at:

<http://laws.justice.gc.ca/en/M-3.2/SOR-90-288/index.html>

## 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's Fresh Fruit and Vegetable Regulations and Processed Product Regulations. The regulations are available on the Internet at: <http://laws.justice.gc.ca/en/C-0.4/C.R.C.-c.285/index.html>

U.S. fresh fruits and vegetable exporters must:

- comply with Canadian grade standards and packaging regulations,
- obtain Canadian Confirmation of Sale form. Consignment selling is prohibited,
- obtain special waiver of standard container regulations for bulk products,
- file a Canada Customs invoice.

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 that the produce meets Canadian import requirements.

Some U.S. exporters still choose to obtain AMS certification as evidence that the produce left the shipping point in grade and condition.

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.

Consignment selling of fruits and vegetables into Canada is prohibited by law and a confirmation of sale form is required for entry. Canada Customs will release only produce that is pre-sold at the border.

Where grades and standard container sizes are established 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.

Further information on fruit and vegetable regulations is available from:

Dairy, Fruit, and Vegetable Division  
Canadian Food Inspection Agency  
59 Camelot Drive  
Nepean, Ontario, Canada K1A 0Y9  
Telephone: (613) 225-2342

### **Processed Horticultural Products**

Imported processed horticultural products are subject to the requirements of Canada's Processed Products Regulations. These regulations stipulate the standards and grades for processed fruits and vegetables. The maximum container size permitted for importation is 20 kg or 20 liters. Beyond these sizes, Canadian rules require a ministerial exemption, or bulk waiver of standardized package. The Processed Product Regulations are available for viewing at the following Justice Department website:

<http://laws.justice.gc.ca/en/C-0.4/C.R.C.-c.291/index.html>

### **Other Specific Standards**

#### **Fish and Seafood**

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 that imports fish into Canada must hold a fish import license, must provide written notification to the 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 exporter'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%. More information regarding the requirements to import fish into Canada can be found on the CFIA web site in the document titled Guide to Canadian Regulatory Requirements and Examination Procedures for Imported Fish

<http://www.inspection.gc.ca/english/anima/fispoi/import/importe.shtml>

Labeling requirements for packaged fish must include all mandatory information normally found on consumer packages such as:

- country of origin
- common name of the fish;
- name and address of the manufacturer;
- day, month and year of processing; and
- quantity (metric or imperial units)

Information regarding the labeling of fish products is available on the CFIA web site at:  
<http://www.inspection.gc.ca/english/anima/fispoi/product/labeque.shtml>



## Novel Foods (Genetically Modified Foods)

Health Canada defines novel foods as: products that have never been used as a food; foods that result from a process that has not previously been used for food; or, foods that have been modified by genetic manipulation. This last category of foods has been described as genetically modified foods.

Pre-Market Notification: The Novel Foods Regulation (under the Food and Drugs Act) requires that pre-market notification be made to Health Products and Food Branch (HPFB) by any company who wants to sell a biotechnology-derived food.

The following is Health Canada's website for information concerning the sale of genetically modified foods in Canada:

[http://www.hc-sc.gc.ca/food-aliment/mh-dm/ofb-bba/nfi-ani/e\\_novel\\_foods\\_and\\_ingredient.html](http://www.hc-sc.gc.ca/food-aliment/mh-dm/ofb-bba/nfi-ani/e_novel_foods_and_ingredient.html)

Contact for Novel Food Pre-Market Notification/Submission

Novel Food Notification  
Food Program  
Food Directorate  
Health Canada  
4th Floor West  
Sir Frederick G. Banting Research Center  
Tunney's Pasture, PL 2204A1  
Ottawa, Ontario K1A 0L2

## 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.

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 cover common names and standardized container rules. For example, light beer in Canada is defined by regulation as beer with a percentage alcohol of 2.6 to 4.0, by volume. Container sizes for wine 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.

U.S. exporters are advised to contact the Canadian Food Inspection Agency's Single Access Food Labeling Service offices for full label reviews of alcoholic beverages.

## 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.

The National Standard for Organic Agriculture was ratified by the Standards Council of Canada (SCC) April 19, 1999 and was published at the end of June 1999. Food products which are labeled or otherwise identified as "organic" are expected, as a minimum, to comply with the production, processing, packaging, labeling, storing and distribution requirements of the National Standard for Organic Agriculture.

### Organic Claims

- According to the Standard, a food product may be labeled "organic" if it consists of at least 95 percent organic ingredients.
- When the food product contains a minimum of 70% organic ingredients a claim may be made, provided the percentage (by weight or fluid volume, excluding water and salt, of the total ingredients in the final product) of organic ingredient(s) present in the food is made on the principal display panel (e.g., "contains x% organic ingredients" or "contains x% of organic (name the ingredient(s))".
- When a food product contains less than 70% organic ingredients, claims with respect to the organic content of the foods may be made within the list of ingredients only.

### Certification

In order to demonstrate that food products described as organic actually conform to this voluntary national standard, producers or processors may ask an *independent certifying body* to inspect the production unit and products to verify that all stages of the production, processing, packaging and distribution meet the requirements of the Standard. A food that has been certified by a certification body may be labeled with the trademark of the independent certifying body that carried out the inspection.

In Canada, independent certifying bodies are accredited by the SCC, using guidelines set out by the International Organization for Standards (ISO). Provincial authorities may also provide accreditation of certifying bodies operating within their jurisdiction through provincial legislation. This role is assumed in Quebec by the Conseil d'accréditation du Québec, and in B.C. by the Certified Organic Associations of British Columbia (COABC).

**Note:** Certification of products described as organic is voluntary in all provinces except Quebec. The province of Quebec has an organic regulation which requires certification by a certifying body accredited by the Conseil d'accréditation du Québec (CAQ). For further information, consult the [CAQ Web site](http://www.caqbio.org): [www.caqbio.org](http://www.caqbio.org)

Independent certification bodies are responsible for monitoring the growers they certify, and for taking action to remove organic claims if the standard is not being met. Copies of the National Standard for Organic Agriculture are available on the [Canadian General Standards Board \(CGSB\) Web site](http://www.pwgsc.gc.ca/cgsb): [www.pwgsc.gc.ca/cgsb](http://www.pwgsc.gc.ca/cgsb)

### Kosher Foods

In the labeling, packaging and advertising of a food, Canada's Food and Drug Regulations prohibit 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 food does not meet the requirements of the Kashruth applicable to it. Kosher style foods are defined in Canada's Guide to Food Labeling and Advertising (mentioned above). For more information on Kosher Food Marketing in Canada, see FAS Ottawa's report CA2048 available from the FAS homepage at: [www.fas.usda.gov](http://www.fas.usda.gov)

### **Diet-Related Health Claims**

The 2002 amendments to the *Food and Drug Regulations* allow diet-related health claims on foods for the first time in Canada. These claims are based on sound scientific evidence that has established a relationship between certain elements of healthy diets and reduction of risk of certain diseases. A diet-related health claim is a statement that describes the characteristics of a diet that may reduce the risk of developing a diet-related disease or condition, such as osteoporosis or stroke, and the properties of a food that make it a suitable part of the diet.

For example, the label of or an advertisement for a food which is low in sodium might carry the following diet-related health claim (providing 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 low in sodium."

The 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.

### **Sample Products**

Food samples for research, evaluation, or display at trade shows and food exhibitions are permitted entry, but may not be offered for commercial sale. For meat, poultry, dairy or egg, and fruits and vegetable samples it is recommended that exhibitors apply for an import permit and declare that the food is not for resale. Contact: CFIA Permit Office, 59 Camelot Drive, Nepean, Ontario, K1A 0Y9, Fax: (613) 228-6605. Entry at the border will be facilitated if U.S. exporters show proof of their food exhibition participation and that the products are of U.S. origin. Up to 10 samples are permitted entry, but the weight of each may not exceed 100 kilograms (about 220 pounds). Entries for personal consumption are generally restricted to 20 kg.

### **Test Marketing: Processed Food Products**

Canada's Processed Product Regulations permit, in special instances only, the test marketing of domestically manufactured or imported processed food products that may not meet packaging, labeling, or compositional requirements of the regulations. However, the provision is designed to facilitate the marketing of new products of a type that are new, unique and unavailable in Canada. U.S. companies should note that it does not apply to U.S.

brand introductions into Canada for processed foods of a type already available on retail shelves. In the case of imported foods, applications for test marketing must be submitted to the Canadian Food Inspection Agency by the Canadian importer who may be granted authorization to test market a food product for a period of up to 12 months.

A dealer wishing to conduct a test market must, six weeks prior to conducting the test market, file a Notice of Intention to Test Market in the prescribed form and manner. The Notice of Intention to Test Market should be completed on company letterhead and should include the following:

- a) A description of the prepackaged product, together with submission of a sample in prepackaged form or alternatively, an illustration of the prepackaged product and the label;
  - b) The quantity to be distributed;
  - c) The period of time for test marketing (maximum period is 12 months); and
  - d) The geographic area or region in which the test market is to be conducted.
- e) Dealers must also include information, with supporting data, to substantiate that the test market product was not previously sold in Canada in that form and to establish that it differs substantially from any other product sold in Canada with respect to its composition, function, state or packaging form.

The Notice of Intention to Test Market should be addressed to:

Director, Bureau of Food Safety and Consumer Protection  
Canadian Food Inspection Agency  
159 Cleopatra Drive  
Nepean, Ontario, K1A 0Y9

### **Temporary Marketing Authorization Letter (TMAL)**

There is a distinction between a Test Market Food) and a food which has received Temporary Marketing Authorization.

A Temporary Marketing Authorization Letter (TMAL), issued by the Assistant Deputy Minister of the Health Products and Food Branch, Health Canada, authorizes the sale of a food that does not meet one or more of the compositional, packaging, labeling or advertising requirements under the *Food and Drugs Act and Regulations*. The authorization is granted for a specified period of time, within a designated area and in a specified quantity for a specific manufacturer or distributor. A TMAL does not exempt foods from the requirements under the *Consumer Packaging and Labeling Act and Regulations*.

The purpose of a Temporary Marketing Authorization is to generate information in support of a proposed amendment to the *Food and Drug Regulations*.

For example, as a condition for obtaining a TMAL for the use of non-permitted labeling on a food, the companies involved agree:

- to use only those non-permitted labeling statements approved by the Health Products and Food Branch,
- to use these to carry out studies to determine consumer attitudes to the labeling and advertising material, and
- to submit the results of these studies to the Health Products and Food Branch.

Once the TMAL is issued, those manufacturers or producers of foods that are subject to mandatory label registration through the CFIA (such as registered meats and processed products), will be expected to follow normal procedures to register their labels.

Applications for a Temporary Marketing Authorization Letter should be addressed to:

Assistant Deputy Minister  
Health Products and Food Branch  
Health Canada  
Ottawa, Ontario K1A 0L2

### **Copyright and/or Trademark Laws**

The federal agency responsible for registering trademarks in Canada is the Trademarks Office, part of a larger agency called the Intellectual Property Office, which is part of Industry Canada.

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. The Trademarks Office advises that companies hire a registered trade-mark agent to search existing trade names and trademarks. It will provide a list of registered agents upon request. For further information on making an application for a trademark in Canada, contact:

The Trade-Marks Branch  
Canadian Intellectual Property Office  
Industry Canada  
50 Victoria Street  
Place du Portage, Phase 1  
Hull, Quebec K1A 0C9  
Telephone: (613) 997-1936

For more information about trademarks see Industry Canada's website at:  
<http://strategis.ic.gc.ca>

### **SECTION III. MARKET SECTOR STRUCTURE AND TRENDS**

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

U.S. food exporters face a knowledgeable and more demanding consumer. To be successful in the Canadian marketplace U.S. exporters should study and understand Canadian food

trends. Agriculture & Agri-food Canada has identified the following as some current factors driving consumer food spending trends:

- **Variety:** Strong demand for new and innovative foods on store shelves and on restaurant menus. Growing popularity of imported exotic fruits and vegetables, ethnic foods and restaurant concepts.
- **Quality and freshness:** Consumers are willing to pay more for quality. For many consumers, freshness means quality. Many private-label products offer exceptional quality for the price (value).
- **Convenience:** Time pressures of dual-earner and lone-parent families increases demand for convenience foods (prepared meals, microwave foods, sauces and condiments, fresh chilled prepared foods, "home meal replacements") and for foodservice (ie take-out foods).
- **Health and nutrition:** Health-conscious Canadians, especially ageing baby boomers, are eating more fruits, vegetables and "light" foods (low fat, cholesterol, sodium, etc). Current reviews of nutrition labeling may address heightened demand for more information about nutritional content of foods. Functional foods and nutraceuticals may offer future opportunities.
- **Environmental concerns:** Especially among the youth market, environmental concerns may have implications for food demand (processing, bulk packaging, organic foods, avoidance of certain food product categories (i.e., meat).
- **Safety of the food supply:** Heightened media attention to such issues as mad cow disease, product recalls, food irradiation, GMOs, etc.
- **Access to information:** Consumers more connected, aware and demanding.

Immigration patterns have changed the face of Canadian cities, where 75 percent of Canada's population resides. Immigration in the 1990s was dominated by newcomers of Asian origin, who now account for about 10 percent of the population of Canada's two largest cities, Toronto and Vancouver. The combination of the influx of Asian, as well as other ethnic origin immigrants with contrasting dietary traditions, and the trend among consumers for a healthier diet has transformed the Canadian food supply. Compared to twenty years ago, Canadians are consuming less sugar, animal fats (including butter and lard), red meat, eggs, canned vegetables, skim milk powder, and alcoholic beverages and more rice, breakfast cereals, nuts, vegetable-based fats, chicken, fish, fresh vegetables, cheese, yogurt, coffee, and soft drinks.

The following is a listing of the Market Sector Structure and Trend Reports prepared recently by, or for the Office of Agricultural Affairs., Ottawa. The reports offer profiles of each sector and summarize the key developments and market opportunities for new U.S. sales.

#### Market Sector Reports

<b>Report#</b>	<b>Title of Report</b>	<b>Date</b>
CA0135	Private Label Grocery Opportunities	09/11/00
CA0174	Pet Food Industry Product Brief	11/06/00
CA1126	Exploring Canada's Food Manufacturing Industry	09/18/01
CA2001	Organic Food Industry Report	01/04/02
CA2002	Convenience & Non-Traditional Grocery Outlets Report	01/04/02
CA2021	Quebec as a Market for U.S. Wines	02/05/02
CA2026	Controversial Quebec Plan for Wine Marketing	03/15/02
CA2037	Quebec Beer Industry Overview	04/15/02
CA2048	Kosher Foods Market	09/20/02

CA2075	An Overview of the Institutional Foodservice Market in Canada	07/10/02
CA2078	Canadian Seafood Industry	07/10/02
CA2100	Exporting U.S. Wine to Ontario	08/20/02
CA2114	Canadian Food Brokers	09/30/02
CA2115	Vending Machine Food Distribution in Canada	10/24/02
CA2124	Asian-Style Foods in the Canadian Market	10/23/02
CA2125	An Overview of Selected Segments of the Canadian Frozen Food Industry	10/24/02
CA2132	Marketing In Canada Handbook	11/18/02
CA3001	Canada Introduces Mandatory Nutrition Labeling	01/03/03
CA3006	Snack Food Market In Canada	01/24/03
CA3041	Food & Beverage Shows	07/14/03
CA3074	Retail Sector Report	11/06/03
CA3075	Packaging & Retailing Trends in Fresh Produce	11/20/03
CA4019	HRI Food Service Sector Report	03/22/04
CA4062	Canada Connect Matchmaker Program	09/01/04

Visit FAS home page at <http://www.fas.usda.gov> for a complete listing of FAS' worldwide agricultural reporting. To access these reports, or the food industry reports listed below, click on "Commodities", then "Market Reports" and then "Attache Reports". If you have the report number search Option 3, by inserting the AGR # in the appropriate field.

#### SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS

Canada's wholesale, retail, and food service industries watch with acute interest developments in packaged and processed foods and food service trends in the United States. While there are differences in the consumption patterns of selected food items in the two countries, there is a growing demand in Canada for new value-added foods that are market-proven in the United States.

During 2003, a number of consumer-oriented agricultural product categories posted record sales to Canada. The top five categories are fresh vegetables (\$1.0 billion), fresh fruit (\$825 million), snack foods (\$762 million), processed fruits and vegetables (\$515 million) and, red meats (\$413 million). Combined, items in these categories accounted for more than half of total U.S. exports consumer-oriented agricultural product to Canada.

#### What's Hot?

What's hot in the Canadian retail grocery market? What are some of the trends in retail grocery sales that U.S. exporters can capitalize on? The following table, based on ACNielsen Canada data for AAFC, summarizes the most recent survey of retail grocery sales (2002).



**HOTTEST FOOD AND GROCERY PRODUCTS**

Based on Retail Food Sales Data 2002, ACNielsen for AgCanada

**Consumer spending for the 52 weeks ending December 28, 2002  
and % change from 2001**

<u>Products</u>	<u>Retail Sales in C\$</u>	<u>% CHG '02 vs 01</u>
<b>GRAND TOTAL ALL CATEGORIES</b>	<b>36,054,678,502</b>	<b>7</b>
Ready to Eat Gelatin	11,188,940	47
Licorice	33,117,062	37
Meat Sticks	26,314,199	35
Soya Drinks	77,714,777	34
Fresh Potatoes	414,229,066	33
Frozen Fruit Pies	8,453,806	32
Rice/Corn Cakes	68,222,750	25
Refrigerated Salads Bagged	180,738,236	24
Value Added Broad Leaf Produce	43,852,028	24
Chili	11,109,189	23
Coffee Creamers Flavoured	29,642,619	21
Corn Chips	12,039,034	21
Frozen Fruit	38,814,491	19
Refrigerated Imitation Seafood	18,257,457	19
Fresh Limes	12,401,094	19
Bottled Water (Less Than 18 Liters)	222,347,641	18
Rice Drinks	5,664,540	17
Tofu And Meat Analog Products	58,909,064	16
Fr & Refrig. Pizza, French Brd & Sub	299,036,810	16
Specialty Breads	136,578,095	15
Frozen Dinners & Entrees Inc Egg/Spring Rolls	1,104,027,322	15
Canned & Bottled Potatoes	8,626,476	15
Alternative Baked (Inc bagels,english muffins, pitas, tortillas, flat)	246,800,407	14
Vegetable Chip Dips Inc Refrig	92,040,230	14
Fresh Fruit	2,453,046,708	14
Refrigerated Yogurt & Related Products	615,067,867	13
Frozen Prepared Foods	1,552,375,575	13
Baking Mixes - Puddings	1,572,728	13
Bread And Corn Flake Crumbs	9,755,525	12
Frozen Shrimp	134,598,780	12
Baking Nuts	31,879,581	12
Sugar Substitutes	19,981,662	12
Seasonings Including Salad Toppings	47,786,427	12
Popping Corn	84,828,947	12
Prepackaged Fresh Desserts	444,281,247	11
Prepackaged Specialty Cheese	441,851,100	11

Source: ACNielsen / AAFC



## SECTION V. ROAD MAP FOR MARKET ENTRY

### A. Entry Strategy

U.S. food product manufacturers seeking to enter the Canadian marketplace have vast opportunities. Canada is the U.S.'s primary trading partner – more than 64 percent of Canada's manufactured food imports originate from the U.S. This is a result of a number of factors, including a convenient shipping corridor and a familiarity between consumer tastes and expectations.

Although Canadian's are always on the lookout for new and innovative U.S. product, there are a number of obstacles U.S. exporters must overcome before exporting to Canada. These may include currency, customs procedures and labeling requirements.

Overcoming these obstacles is simple with the right tools. Following are the main steps to take for U.S. exporters entering the Canadian market:

1. Contact your state regional trade office.
2. Research the competitive marketplace
3. Locate a broker/distributor.
4. Understand Canadian government standards and regulations that pertain to your product.

#### Step 1: Contact your State Regional Marketing Association

The State Regional Trade Group offices exist to help promote the export of food and agricultural products from specific geographical regions of the country and can in some cases provide financial assistance as well as marketing advice. Contact the office in your area.

State Regional	Web Site	States
Food Export USA	<a href="http://www.foodexportusa.org">http://www.foodexportusa.org</a>	Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont
Mid-America International Agri-Trade Council (MIATCO)	<a href="http://www.miatco.org">http://www.miatco.org</a>	Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin
Southern U.S. Trade Association (SUSTA)	<a href="http://www.susta.org">http://www.susta.org</a>	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)	<a href="http://www.wusata.org">http://www.wusata.org</a>	Alaska, Arizona, American Samoa, California, Colorado, Guam, Hawaii, Idaho, Montana, New Mexico, Oregon, Utah, Washington, Wyoming

#### Step 2: Research the competitive marketplace

The State Regional Offices will often have information on specific markets that they can provide to aid in market research. Additionally, the CANADA CONNECT program provides an element to assist in determining the acceptance of your product in Canada (See Step 3 below). Another means of finding a broker/distributor to represent you is by exhibiting in

the US Pavilion at the Canadian Food & Beverage Show, the largest foodservice show in Canada, held in annually in Toronto each February and/or SIAL Montreal, which is held every other year. The next SIAL is April 2005. Information on both of these shows is available on-line or by contacting [agottawa@fas.usda.gov](mailto:agottawa@fas.usda.gov).

### Step 3: Locate A Broker/Distributor

It is recommended that most new entrants to the Canadian market secure the services of a broker and/or distributor.

The USDA/FAS Office of Agricultural Affairs, U.S. Embassy Canada can provide assistance in locating a broker/distributor. Services available to help exporters locate appropriate brokers/distributors include USDA endorsed pavilions at various Canadian trade shows and a matchmaker program entitled, CANADA CONNECT, (see FAS Report CA4062 on the FAS Web Site: [www.fas.usda.gov](http://www.fas.usda.gov)) for details on this program that provides market information and meetings with potential, pre-screened, buyers.

A partial listing of Canadian food brokers is available through the Canadian Food Brokers' Association on their website: [www.cfba-acca.ca](http://www.cfba-acca.ca)

Step 4: Review this Exporter Guide for Canadian government standards and regulations that pertain to your product and contact one of the CFIA Import Service Centers across Canada listed below for further information. However, Canadian agents, distributors, brokers, and/or importers are also equipped to assist exporters through the regulatory import process.

<b>Import Service Center</b>	<b>Operational</b>	<b>Contact</b>
Eastern Import Service Center	7:00 a.m. to 11:00 p.m. (local time)	Telephone: 1-877-493-0468 (inside Canada/U.S.) Facsimile: 1-514-493-4103
Central Import Service Center	7:00 a.m. to 12:00 a.m. (local time)	Telephone: 1-800-835-4486 (inside Canada/U.S.) Facsimile: 1-905-612-6280
Western Import Service Center	7:00 a.m. to 12:00 a.m. (local time)	Telephone: 1-888-732-6222 (inside Canada/US) Facsimile: 1-604-270-9247

Canadian agents, distributors, brokers, and/or importers are often the best equipped to assist exporters through the regulatory import process. The best entry method depends on the food product and the sub-sector identified as appropriate for each food product. 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.

**SECTION VI. QUESTIONS AND ANSWERS**

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

1. Question: Will the FAS office in Ottawa assist me with my label review?

Answer: The Canadian Food Inspection Agency consolidates federal food label review under its "Single Access Food Labeling Service". At regional locations across Canada, these offices coordinate the requirements of all federal departments to simplify product approval and label compliance. It is recommended that U.S. exporters submit their labels to the regional office closest to the targeted marketing area.

2. Question: How long does it take to get a label review?

Answer: If the U.S. exporter provides sufficient information with their submission to CFIA, a complete label assessment can be accomplished in about two weeks.

3. Question: How do I find a distributor?

Answer: The USDA/FAS Office of Agricultural Affairs, U.S. Embassy Canada can provide assistance in locating a broker/distributor. Services available to help exporters locate appropriate brokers/distributors include USDA endorsed pavilions at various Canadian trade shows and a matchmaker program entitled, CANADA CONNECT, (see FAS Report CA4062 on the FAS Web Site: [www.fas.usda.gov](http://www.fas.usda.gov)) for details on this program that provides market information and meetings with potential, pre-screened, buyers.

4. 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 Ms. Elizabeth Udell, Canada Border Services Agency (CBSA), Trade Policy and Interpretation Directorate at (613) 954-7013, fax (613) 954-9646.

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

Answer: On the FAS web site: [www.fas.usda.gov](http://www.fas.usda.gov) click on "Exporter Assistance" then on "foreign buyers list" and/or Industry Canada (IC) has a database of major Canadian importers by product type. Access the database at the IC webpage: [http://strategis.ic.gc.ca/sc\\_mrkti/cid/engdoc/index.html](http://strategis.ic.gc.ca/sc_mrkti/cid/engdoc/index.html)

6. 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, all Canadian import duties on all U.S. food and commercial products have been phased out (with the exception of over-quota tariffs on dairy and poultry products). However, there are federal excise taxes and surcharges on alcoholic beverages.

7. 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. 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.

8. 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's test marketing provision is designed to facilitate the marketing of new products of a type that are new, unique and unavailable in Canada. It does not apply to U.S. brand introductions into Canada for processed foods commonly found on retail shelves.

## SECTION VII. CONTACTS

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

Gary C. Groves, Agricultural Minister-Counselor  
Hugh J. Maginnis, Senior Agricultural Attaché  
Darlene Maginnis, Marketing Specialist  
Marilyn Bailey, Marketing Specialist  
George C. Myles, Senior Agricultural Specialist  
Christina Patterson, Agricultural Specialist  
Joyce Gagnon, Administrative Assistant

### Summary of Useful Websites

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

<b>Canada Border Services Agency</b>	<a href="http://www.cbsa-asfc.gc.ca/menu-e.html">http://www.cbsa-asfc.gc.ca/menu-e.html</a>
<b>Canadian Food Inspection Agency</b>	
Home Page	<a href="http://www.inspection.gc.ca/">http://www.inspection.gc.ca/</a>
Acts and Regulations	<a href="http://www.cfia-acia.agr.ca/english/reg/rege.shtml">http://www.cfia-acia.agr.ca/english/reg/rege.shtml</a>
Guide to Food Packaging and Labeling	<a href="http://www.inspection.gc.ca/english/bureau/labeti/guide/guide_e.shtml">http://www.inspection.gc.ca/english/bureau/labeti/guide/guide_e.shtml</a>
Meat & Poultry Inspection Regulations	<a href="http://www.inspection.gc.ca/english/anima/meavia/meaviae.shtml">http://www.inspection.gc.ca/english/anima/meavia/meaviae.shtml</a>

Fish Inspection Directorate	<a href="http://www.cfia-acia.agr.ca/english/anima/fispoi/fispoie.shtml">http://www.cfia-acia.agr.ca/english/anima/fispoi/fispoie.shtml</a>
Novel Foods	<a href="http://www.hc-sc.gc.ca/food-aliment/mh-dm/ofb-bba/nfi-ani/e_novel_foods_and_ingredient.html">http://www.hc-sc.gc.ca/food-aliment/mh-dm/ofb-bba/nfi-ani/e_novel_foods_and_ingredient.html</a>

<b>Department of Foreign Affairs and International Trade</b>	<a href="http://www.dfait-maeci.gc.ca/eicb/eicbintro-en.asp">http://www.dfait-maeci.gc.ca/eicb/eicbintro-en.asp</a>
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<b>Health Canada</b>	
Home Page	<a href="http://www.hc-sc.gc.ca">http://www.hc-sc.gc.ca</a>
Food and Drugs Act	<a href="http://www.hc-sc.gc.ca/food-aliment/friia-raaii/food_drugs-aliments_droques/act-loi/e_index.html">http://www.hc-sc.gc.ca/food-aliment/friia-raaii/food_drugs-aliments_droques/act-loi/e_index.html</a>
Nutrition Labeling	<a href="http://www.hc-sc.gc.ca/hppb/nutrition/labels/index.html">http://www.hc-sc.gc.ca/hppb/nutrition/labels/index.html</a>

<b>Justice Department</b>	<a href="http://www.justice.gc.ca">http://www.justice.gc.ca</a>
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<b>Pest Management Regulatory Agency</b>	
Maximum Residue Levels	<a href="http://www.pmara-arla.gc.ca/english/aboutpmra/about-e.html">http://www.pmara-arla.gc.ca/english/aboutpmra/about-e.html</a>

## APPENDIX I. Statistics

**Table A. Key Trade and Demographic Information**

Agricultural Imports From All Countries/ U.S. Market Share 1/	\$14.0 billion / 62%
Consumer Food Imports From All Countries/ U.S. Market Share	\$10.1 billion / 61%
Edible Fishery Imports From All Countries/ U.S. Market Share	\$1.3 billion / 45%
Total Population, April 2004	31.8 million
Urban Population / Rural Population / Percent Rural/2001	23.9 mil./ 6.1 mil/ 20%
Number of Metropolitan Areas Over 100,000	35
Per Capita Gross Domestic Product (U.S. dollars); 2003	\$27,346
Unemployment Rate (August 2004)	7.2 %
Per Capita Food Expenditures (U.S. dollars)	\$1,563

Total Employment / Women / Men	15.7 mil / 7.3 / 8.4
Exchange Rate, average annual 2003	C\$=US\$.7135

Footnotes: 1/ AAFC

Table B. Consumer Food &amp; Edible Fishery Product Imports

Canada Imports (In Millions of Dollars)	Imports from the World			Imports from the U.S.			U.S Market Share		
	2001	2002	2003	2001	2002	2003	2001	2002	2003
<b>CONSUMER-ORIENTED AG TOTAL</b>	8,756	9,368	10,094	5,603	5,963	6,139	64	64	61
Snack Foods (Excl. Nuts)	656	686	759	408	407	459	62	59	60
Breakfast Cereals & Pancake Mix	150	170	180	142	164	172	95	96	96
Red Meats, Fresh/Chilled/Frozen	688	692	744	334	344	388	49	50	52
Red Meats, Prepared/Preserved	285	294	319	272	280	300	96	95	94
Poultry Meat	147	150	154	147	149	150	100	100	97
Dairy Products (Excl. Cheese)	214	192	211	50	40	47	24	21	22
Cheese	128	137	152	23	26	23	18	19	15
Eggs & Products	64	71	79	58	60	64	90	84	81
Fresh Fruit	1,183	1,301	1,455	619	693	744	52	53	51
Fresh Vegetables	955	1,068	1,152	798	872	902	84	82	78
Processed Fruit & Vegetables	711	785	767	462	494	452	65	63	59
Fruit & Vegetable Juices	364	388	405	241	252	266	66	65	66
Tree Nuts	155	160	192	84	92	109	54	57	57
Wine & Beer	757	812	1,070	117	116	137	15	14	13
Nursery Products & Cut Flowers	225	229	249	114	110	120	51	48	48
Pet Foods (Dog & Cat Food)	229	240	261	221	235	257	97	98	99
Other Consumer-Oriented Products	1,844	1,994	1,947	1,512	1,628	1,550	82	82	80
<b>FISH &amp; SEAFOOD PRODUCTS</b>	1,305	1,287	1,342	579	576	598	44	45	45
Salmon	123	91	121	109	81	106	89	88	88
Surimi	36	41	43	22	22	23	60	53	53
Crustaceans	572	522	483	194	215	202	34	41	42
Groundfish & Flatfish	233	272	321	111	117	120	48	43	37
Molluscs	86	92	109	40	41	43	47	45	40
Other Fishery Products	256	269	265	103	101	104	40	37	39
<b>AGRICULTURAL PRODUCTS TOTAL</b>	12,144	12,954	13,684	7,871	8,375	8,315	65	65	61
<b>AG, FISH &amp; FORESTRY TOTAL</b>	15,394	16,396	17,393	10,016	10,570	10,639	65	64	61

Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office

Table C. Top 15 Suppliers of Consumer Foods &amp; Edible Fishery Products

**CANADA - Top 15 Suppliers****CONSUMER-ORIENTED AGRICULTURAL IMPORTS**

<b>US\$'000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
United States	5,603,432	5,963,352	6,138,966
France	308,784	315,932	397,073
Mexico	244,758	290,140	360,787
Italy	225,126	237,840	293,706
Australia	236,474	324,873	279,586
New Zealand	260,254	259,959	278,693
Chile	149,553	163,916	201,127
Netherlands	132,605	138,133	158,701
China (Peoples Republic of)	112,085	129,601	147,265
Brazil	104,342	115,627	138,328
Germany	97,768	107,384	122,104
Costa Rica	76,152	80,325	111,764
United Kingdom	103,933	110,983	103,119
Spain	84,074	93,565	102,831
Colombia	77,811	87,379	95,925
Other	938,773	948,818	1,163,968
World	8,756,092	9,367,993	10,094,127

**FISH & SEAFOOD PRODUCT IMPORTS**

<b>US\$'000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
United States	579,322	576,460	598,272
Thailand	202,582	203,767	210,094
China (Peoples Republic of)	71,157	92,883	131,275
Chile	19,007	26,602	45,562
Russian Federation	37,821	37,206	40,423
India	19,189	24,847	35,842
Vietnam	22,020	21,817	29,723
Norway	51,885	47,438	24,829
Taiwan (Estimated)	14,517	16,475	16,315
Philippines	11,978	17,514	15,697
Indonesia	15,141	16,150	15,608
Hong Kong	11,494	11,731	13,826
Iceland	23,869	20,539	12,059
Ecuador	7,325	7,785	10,658
Argentina	8,991	7,443	9,368
Other	208,855	158,774	132,511
World	1,305,176	1,287,438	1,342,097

Source: United Nations Statistics Division