



Foreign Agricultural Service

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## Canada

### Food and Agricultural Import Regulations and

### Standards

### Broader Range of Package Sizes Proposed for

### Processed Meats

## 2000

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**Report Highlights:** The Canadian Food Inspection Agency is proposing a broader range of package sizes for prepackaged meats such as bacon, sausage, and ready-to-eat sliced meats. U.S. exports to Canada in the category increased sharply throughout the 1990s as high tariffs were eliminated under the tariff phase-out provisions of the NAFTA. Exceeding \$70 million in 1999, they are projected to grow at an annual rate of more than 10% to 2005. The proposed regulatory changes are expected to enhance U.S. sales of prepackaged meats to both retail and foodservice markets in Canada.

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Summary: U.S. exporters of prepackaged meat products to Canada may benefit from proposed changes to Canadian standardized package sizes for bacon, sausage, and ready-to-eat sliced meats. The Canadian Food Inspection Agency (CFIA) has published a regulatory proposal to Canada's Meat Inspection Regulations to modify and increase the number of standard package sizes for prepackaged meat products thereby increasing the choice of container sizes for consumers. Under the proposal, a new package size (375 g) will be introduced for sliced bacon, six categories of prepackaged meats with existing standardized packages will be reduced to three but given a broader range of package sizes, and standardized weights for packages over 1 kg will be deregulated.

Under Canadian law, U.S. exports of certain prepackaged processed meats to Canada must conform to the specified package weights stipulated in the regulations. Despite the fact that these Canadian package sizes differ from common U.S. package sizes for retail processed meats, U.S. sales of processed meats to Canada have increased sharply in recent years after U.S. meat processors introduced product lines conforming with Canadian package size requirements. It is now common to see U.S. brand wieners and sliced meats in Canadian supermarkets.

#### U.S. Processed Meat Trade with Canada

Canadian imports of processed beef and pork items from the United States (HS 1601 & 1602) are estimated to have exceeded \$70 million in 1999 with a projected growth rate of more than 10% annually to 2005. The U.S. share of the Canadian import market for processed beef and pork items in 1999 is estimated at 80%. Prior to the U.S./Canada Free Trade Agreement (FTA, 1989), the U.S. share of the import market was less than 60%. But as high Canadian import duties on U.S. packaged processed meat products were eliminated by 1998 under the tariff phase-out provisions of the FTA and the North American Free Trade Agreement (NAFTA) U.S. sales increased sharply.

#### Regulatory Proposal Background

Canada's Meat Inspection Regulations establish standard weights for a number of prepackaged meat products sold at retail. Currently, standard package sizes are prescribed for six categories of meat products: sliced bacon, sliced ready-to-eat meat products, unpreserved sausages and sausage meat, smoked or cooked sausages other than wieners, wieners, and potted meat products. The package size rules apply to Canadian meat processors and to imported processed meats, but not to these meat products when they are packaged at retail for direct sale to consumers.

To address requests from members of the industry, the CFIA is proposing to modify the standardized weights (Schedule II of the regulations) by adding a 375 g weight for the sliced bacon category and to simplify Schedule II by revoking standardized weights for packages over 1 kg and merging the sliced ready-to-eat meat products category with the potted meat products category, and merging the existing 3 categories for sausages into one.

Under the proposal, new permitted weights would result from the merging of the sliced ready-to-eat

meat products category with the potted meat products category, and merging the existing 3 categories for sausages:

- 2 new package sizes for potted meat products (125 g, 175 g);
- 7 new package sizes for sliced ready-to-eat meat products (150 g, 200 g, 300 g, 400 g, 600 g, 700g, 900g );
- 4 new package sizes for smoked or cooked sausages other than wieners (225 g, 450 g, 675 g, 900g );
- 5 new package sizes for wieners (125 g, 175 g, 250 g, 600 g, 750 g ); and
- 8 new package sizes for unpreserved sausages and sausage meat (125 g, 175 g, 225 g, 300 g, 450g, 600 g, 675 g, 900 g ).

The proposed new category referred to as sausage and sausage meat would include all sausages (fresh, cooked, preserved, fermented, dehydrated etc) and sausage meat.

#### Proposed Permitted Weights for Prepackaged Meat Products

Meat Product	Permitted Weights
Sliced Bacon	From 1 to 100 in increments of 1g, 250g, 375g, 500g, 1kg
Sliced ready-to-eat meat products and potted meat products	From 1 to 100 in increments of 1g, 125g, 150g, 175g, 200g, 250g, 300g, 375g, 400g, 500g, 600g, 700g, 900g, 1kg
Sausages and sausage meat	From 1 to 100 in increments of 1g, 125g, 175g, 225g, 250g, 300g, 375g, 450g, 500g, 600g, 675g, 750g, 900g, 1kg

#### Comment:

Under the current regulations, poultry bacon-style falls under the sliced ready-to-eat category in Schedule II which allows a 375g package. Canadian consumers have shown a preference for the 375g size. Sliced bacon cannot presently be marketed in this popular size and the proposed change will permit bacon to be sold more competitively in that convenient package size. Currently, the most common package for bacon is 500g. However, some Canadian manufacturers of sliced bacon are opposed to the creation of a 375 g package because they believe consumers will prefer that package size to the existing 500 g package and that

this will result in an overall decrease in consumption of sliced bacon.

In addition to the benefits of a broader range of package sizes, the deregulation of package sizes over 1kg is expected to facilitate the marketing of U.S. processed meats to the Canadian foodservice sector.

The proposal, formally a regulatory amendment to the Meat Inspection Regulations, was published in the Canada Gazette, Part I, February 12, 2000. That issue of the Canada Gazette is available electronically on the Canada Gazette website at: <http://canada.gc.ca/gazette/gazette5e.html> The proposal is soon expected to be on the CFIA website at: <http://www.cfia-acia.agr.ca> A public comment period will run for 30 days. The CFIA contact point is:

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