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Agricultural Situation

This Week in Canadian Agriculture: Issue 1 2009

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Report Highlights:

Support for New Cheese Regulations * Stricter Canadian Content Labeling Rules Come Into Force

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
Ottawa [CA1]
[CA]

This Week in Canadian Agriculture is a weekly 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 report 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.

SUPPORT FOR NEW CHEESE REGULATIONS: With the coming into force of Canada's new compositional standards on the cheese regulations, on December 14, 2008, several stories have been published in the Canadian media extolling the virtues of these new regulations. The articles published champion the regulations stating that by limiting the ingredients permitted in cheese-making, Canadians will be safe from the substitution of domestic milk by "low-quality imports of milk protein concentrates" and "modified milk ingredients". Don Jarvis, the executive director of the Dairy Processors Association of Canada, responded with several clarifying points. His points included that (1) milk protein concentrates are not a low-quality substitute for high quality milk but are a natural by-product of cheese making, (2) the regulations state that raw milk, not domestic milk, must be used, and (3) there is no evidence to suggest a quality difference in cheese made with milk and other milk ingredients, and cheeses made with whole milk. Canada's largest cheese processors, unhappy with the regulations, have taken the Government of Canada to court to challenge the legality of the new rules. On October 20th, 2008, Kraft, Parmalat, and Saputo, petitioned the federal court for a judicial review of the cheese regulations. The court granted the application and, following the submission of affidavits, cross-examination, and responses, a 2-day hearing is scheduled to be held on March 31 and April 1, 2009. The issue continues to develop complexities as several smaller dairy cheese processors have submitted affidavits in support of the new regulations.

STRICTER CANADIAN CONTENT LABELING RULES COME INTO FORCE: New guidelines for Canadian content statements came into force on December 31, 2008. The Canadian government had first announced its intentions to modernize the guidelines that use the terms "Product of Canada" and "Made in Canada" on food labels and advertising in May of 2008. The announcement was made at a time where there was increased Canadian consumer interest in food labeling due to a series of imported-food product recalls. Canada's guidelines for Canadian content statements had not been updated since they were created in the 1980's, well-before this new age of sourcing ingredients from around the globe. The terms were awarded based on manufacturing costs as a way to promote the Canadian brand and manufacturing jobs. The result made for sometimes confusing claims. For instance, cans or jars of olives could be labeled "Product of Canada" even though Canada grows no olives. Under the new guidelines, when the claim "Product of Canada" is applied, all or virtually all of the significant ingredients, components, processing and labor used in the food product must be Canadian. The "Made in Canada" claim may be used when the last substantial transformation of the product occurred in Canada and can be used regardless of whether the ingredients are imported or domestic or a mix of both. However the "Made in Canada" claim must always be qualified with either "Made in Canada from domestic and imported ingredients" or "Made in Canada from imported ingredients". The terms of use of the "Product of Canada" and "Made in Canada" claims were developed in consultation with industry stakeholders and it remains voluntary on whether or not companies wish to use them. However, if the terms are used, the article labeled with the terms "Product of Canada" or "Made in Canada" must be in compliance. The enforcement of the use of the "Product of Canada" and "Made in Canada" claims is done by the Canadian Food Inspection Agency as it is the agency responsible for enforcement of the requirements of the Food and Drugs Act and the Consumer Packaging and Labeling Act. More information on these new guidelines can be found at the following websites: [Guide to Food Labelling and Advertising](#); [Frequently asked Questions on "Product of Canada" and "Made in Canada" Claims](#)

Exchange Rate: Noon rate, January 9, 2009 (Bank of Canada): U.S. Dollar = C\$1.1923

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